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# ***Daily Report***

## **East Asia**

FBIS-EAS-93-105  
Thursday  
3 June 1993

# Daily Report

## East Asia

FBIS-EAS-93-105

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3 June 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## Japan

### EC Support Sought for Effort To Expand Demand

OW0306005693 Tokyo KYODO in English 0052 GMT  
3 Jun 93

[Text] Paris, June 2 KYODO—Japan's chief economic planner called on the European Community (EC) Wednesday to understand Japan's efforts to expand domestic demand, while explaining several already-implemented economic stimulus packages.

Hajime Funada, director general of the Economic Planning Agency, held talks with Henning Christophersen, EC commissioner for economic and financial affairs.

Asked about the effects of the measures on imports, Funada said it is hard to calculate the surplus-reducing effects, but import expansion from an economic recovery is expected to help trim Japan's huge current account surplus.

### Current Account Surplus Surges From Year Ago

OW0306083793 Tokyo KYODO in English 0807 GMT  
3 Jun 93

[Text] Tokyo, June 3 KYODO—Japan's unadjusted current account surplus in April jumped 14.6 percent from a year earlier to 11.27 billion dollars largely on a stronger yen against the U.S. dollar, the Ministry of Finance reported Thursday. The surplus figure was the highest for the month of April, stretching year-on-year gains to the 25th consecutive month, the ministry said.

April's trade surplus also soared 16.0 percent to 11.7 billion dollars as imports rose 9.4 percent to 18.07 billion dollars, while exports gained a faster 11.9 percent to 29.78 billion dollars.

The trade surplus was also the highest for April, rising for 31 successive months.

"The primary factor that boosted the surplus is the yen's appreciation against the dollar," said Jun Yamamoto, an economist with the Industrial Bank of Japan, predicting that the same cause will continue to boost Japan's external imbalance until the so-called "J-curve" effect fades away.

The phenomenon is known to occur as a stronger yen contributes to raising Japan's exports in dollar terms.

The current account is the broadest yardstick for measuring the external transfer of goods and services. It is made up of the figures for trade and services accounts, including payments stemming from tourism and insurance, and transfer accounts.

The ministry's announcement came shortly after Japan's trade surplus was singled out for criticism on the first day of a ministerial council meeting of the Organization for Economic Cooperation and Development (OECD) in Paris.

Japan's trade surplus in 1992 was equivalent to 3.6 percent of its gross national product, compared with around 1 percent or less of its major trading partners. The United States and Germany posted current account deficits that year.

Economists say strong growth in exports to Southeast Asian countries and the strong competitiveness of Japanese capital goods are contributing to the sharp rise in Japan's surplus.

Economists gave mixed views on whether Japan should initiate further pump-priming measures to stimulate imports of foreign products.

Tatsuo Yasukawa, chief economist of Sanwa Research Institute, said Japan instead should try to persuade Europe and the U.S. that the economic stimulation programs in place are sufficient and economic conditions will gradually recover.

The government unveiled a 10.7 trillion yen package to prop up the economy last August and followed with 13.2 trillion yen worth of measures in April. The Bank of Japan has lowered the official discount rate to the historically low level of 2.5 percent.

But Yasukawa also criticized the government for not introducing such schemes at an earlier stage since "it was quite obvious that Japan's surplus was going to balloon and the yen strengthen" this year. Instead of new fiscal measures, Yasukawa recommended Japan liberalize its market, such as moving to eradicate "keiretsu," or business transactions within affiliated companies.

But even with such measures, and excluding irregularities, Yasukawa projects there will be a 70 billion to 80 billion dollar surplus each year because of Japan's high savings rate.

He said there is no need to try to reduce the figure ahead of the population's aging, but rather the country should beef up recycling its surplus abroad.

The Industrial Bank of Japan's Yamamoto favored introducing another stimulation program, saying it would at least not have any negative effects such as sparking inflationary pressures by unbalancing supply and demand. He said the economy, even in the process of mild recuperation, will be too feeble for such a phenomenon to show.

A Finance Ministry official, briefing reporters on the April balance of payments, stressed the jump in the trade surplus was because of the J-curve effect, since on a yen basis both the current account and trade surpluses shrank in April from a year earlier.

The dollar plummeted 16 percent to 114.91 yen in April, the official said, but increases in exports of office equipment, semiconductors and auto parts played a role in raising the surplus.



Exports of automobiles gained about 10 percent in value, the official said, apparently the result of demand by U.S. dealers to increase their inventories over expectations the dollar might further decline against the yen.

The official said imports of lumber soared nearly 50 percent, which may be a sign of an increase in housing construction.

But imports of petroleum products decreased in reaction to a sharp rise in April 1992 due to the scrapping of a social tax the month before.

Major differences could not be observed in services, where investment income marked a moderate 4.8 percent gain, the official said.

| Balance of Payments (in millions of dollars) |          |          |
|----------------------------------------------|----------|----------|
|                                              | Apr. '93 | Apr. '92 |
| Current Account                              | 11,274   | 9,836    |
| Trade                                        | 11,710   | 10,096   |
| Exports                                      | 29,782   | 26,608   |
| Imports                                      | 18,072   | 16,512   |
| Invisible trade                              | -15      | -116     |
| Transfer payments                            | -421     | -144     |
| Long-term capital                            | -7,492   | -3,922   |
| Basic balance                                | 3,782    | 5,914    |
| Short-term capital                           | -1,588   | -1,940   |
| Errors/omissions                             | -813     | -724     |
| Overall balance                              | 1,381    | 3,250    |

### Mori, Brown Disagree on Numerical Trade Targets

OW0306022693 Tokyo KYODO in English 0216 GMT 3 Jun 93

[Text] Paris, June 2 KYODO—Japan-U.S. bickering over specific numerical trade targets came into the spotlight again Wednesday in a meeting between Japan's trade minister and the U.S. commerce secretary. U.S. Secretary of Commerce Ron Brown told Japanese International Trade and Industry Minister Yoshiro Mori that numerical targets are necessary to determine the results of Japan's import expansion in individual market areas, Japanese officials said.

According to the officials, Brown said a clear approach should be taken on targets in each specific field to correct the trade imbalance between Japan and the United States.

Mori rejected the idea, and expressed concern over an additional U.S. demand for Japan to promise import targets in reference to the bilateral semiconductor agreement. "The U.S. side stresses that setting targets is simply for measuring results, but we cannot accept it," Mori said, citing past experience with the semiconductor

agreement, under which he said the U.S. concentrated on having Japan meet target pledges.

Furthermore, Mori said, fears over "managed trade" are mounting even in Southeast Asian nations.

Brown reportedly retorted that if "managed trade" is defined as a policy of seeking results, that is what the United States wants, but stressed it is not aimed at going against the principles of free trade.

The differences between the two top trade ministers suggest tough negotiations lie ahead at the first working-level meeting scheduled next week to prepare for Japan-U.S. talks on a new economic framework, Japanese officials said.

### U.S. Officials Threaten Sanctions in Dispute

OW0306111893 Tokyo KYODO in English 1103 GMT 3 Jun 93

[Text] Tokyo, June 3 KYODO—U.S. officials Thursday reiterated their tough stance against Japan's ban on apple imports from the United States and threatened to retaliate unless it is quickly lifted.

U.S. Sen. Slade Gorton told a press conference Japan's continued ban on U.S. apples is "an invalid trade barrier" which potentially violates trade rules set by the General Agreement on Tariffs and Trade, the world's trade watchdog. This also "may bring about Section 301 sanctions against Japan," he warned, referring to a provision of a 1974 trade law which authorizes the U.S. President to take punitive steps against perceived unfair trade practices in foreign countries.

Gorton is in Tokyo with U.S. apple growers in an attempt to settle years of bilateral bickering over the apple ban. Though it officially opened its market to foreign apples in 1971, Tokyo has kept out U.S. produce, insisting more proof is needed that they do not carry moths or viruses.

The only imports to the one million ton market have come from North and South Korea. New Zealand was allowed to enter the market Tuesday [1 Jun] after two decades of negotiations.

U.S. officials, attacking the ban as unfounded and unjustified, have said the Japanese policy is more political than technical. Japan's apple growers, many of them in the northern prefecture of Aomori, from where Farm Minister Masami Tanabu hails, stiffly oppose the entry of foreign produce.

Gorton said Japan is "unreasonably" delaying imports of American apples as the U.S. Government believes it has cleared all of the Japanese concerns about the produce. "We have felt a constraint to ask our government to consider this to be no longer a technical issue but a clear trade barrier," said Gorton, a native of Washington State, which produces 60 percent of the U.S. apples and 90 percent of its apple exports.



Thomas Hale, chairman of the Washington Apple Commission accompanying Gorton, said discussions Thursday with officials of the Foreign and Farm Ministries failed to bring the two sides closer.

"The positions (of Japan) are very firm, very set. There does not seem to be any willingness...that would move this (issue) in a very strong way to a positive conclusion," Hale said.

"As a result, the apple industry will be requesting our government to file the Section 301 in complaints against the Japanese Government" in 10 days' time, he said.

Asked about the U.S. ban on imports of Japanese apples, Gorton said lifting it depends on how Japan acts in the dispute. "I'm absolutely confident that the American market will be opened to Japanese apples," he said.

#### **Base Noise Out-of-Court Settlement Proposed**

*OW2905062293 Tokyo KYODO in English 0409 GMT 29 May 93*

[Text] Tokyo, May 29 KYODO—The Tokyo High Court has recommended an out-of-court settlement of a case where residents near a U.S. military air base are demanding a ban on night and early morning jet flights, and compensation, court sources said Saturday. A total of 599 residents near the Yokota base on the outskirts of Tokyo have pressed the demands against the Japanese Government since 1982.

In 1989, a Tokyo District Court chapter dismissed a demand the government ban jet flights at the base but awarded 450 million yen in compensation for suffering experienced by the residents. Both the residents and the government appealed against the ruling to the higher court.

Kiyoshi Uetani, presiding judge at the Tokyo High Court, recommended April 21 during an oral proceeding session that the parties settle out of court, the sources said.

While the plaintiffs expressed readiness to accept the recommendation, the government said it will not give a clear response until June, the sources said.

Uetani reportedly failed to give any specific outline for out-of-court settlement talks.

The high court's move came after the Supreme Court in another case in February rejected demands by residents near Yokota and another U.S. air base that night and morning flights be banned but awarded compensation for plaintiffs' past suffering.

The decisions were handed down in two rulings. Residents near Yokota base and Atsugi base in Kanagawa Prefecture had filed separate lawsuits. Both demanded a halt to the U.S. air force flights and compensation.

Aircraft from both the U.S. military and Japan's Maritime Self-Defense Force use the Atsugi base. U.S. planes alone use the Yokota base.

"We had hoped to discuss the matter with the government from the beginning," said Ryuzo Fukumoto, head of the plaintiffs' group. But "I cannot accept...settling the case only by money."

#### **Ministry: UN-Purchased Vehicles Remain Idle**

*OW2805134093 Tokyo KYODO in English 1020 GMT 28 May 93*

[Text] Tokyo, May 28 KYODO—More than half of 850 vehicles purchased by the United Nations last year for election monitoring in Cambodia will remain idle in Japan, Foreign Ministry officials said Friday. Of 705 vehicles still sitting in a car lot in Okayama Prefecture, western Japan, 488 have not been designated for use, the officials said.

The UN Secretariat's division in charge of procurement for peacekeeping operations concluded a contract last summer with a Japanese trading house to purchase the 850 vehicles. It subsequently decided only 100 vehicles were needed in Cambodia and tried to cancel the contract for the remaining 750 but it was too late to halt production.

The officials said 100 vehicles were shipped to Cambodia last winter and 45 were resold. In June, 111 will be shipped to Mozambique and 106 to Somalia for UN peacekeeping operations.

Foreign Minister Kabun Muto, speaking at a House of Councillors committee session Friday, said he will urge the UN to make more effective use of its funds.

Ministry spokesman Masamichi Hanabusa told foreign correspondents later in the day that the government has already made preliminary contact with UN authorities to "urge them not to repeat this kind of sorry affair in the future."

"The UN must be efficient in using its money," he said. "But at the same time, we must also consider the fact that the UN activities in Cambodia have been organized in great haste."

A ministry source said Japanese diplomats at the UN headquarters in New York would soon make a more formal approach to the UN Secretariat.

"This episode demonstrates clearly the very, very remarkable weakness in the UN organization," the source said, suggesting the world body's peacekeeping budget is expanding uncontrollably.



**UNTAC Head Seeks More Help With Cambodia***OW3005043193 Tokyo KYODO in English 0412 GMT  
30 May 93*

[Text] Tokyo, May 30 KYODO—Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC), has asked Prime Minister Kiichi Miyazawa for more Japanese help in securing lasting peace in Cambodia as well as enhancing the functions of the United Nations, government officials said Sunday.

In a reply to a congratulatory message from Miyazawa on the successful outcome of U.N.-organized general elections, Akashi commiserated on the difficulties Miyazawa encountered in dispatching the first ground defense forces overseas since World War II.

"UNTAC completed free and fair elections, although it suffered priceless sacrifices including two Japanese victims in a suspected rebel ambush. The prime minister very frequently was put into a difficult situation as it was Tokyo's first role in a U.N. peacekeeping mission," he said.

Akashi added, "As the prime minister points out, Japan's isolated attitude in the international community won't be acceptable anymore."

**'Slow Progress' Noted in Cambodia Vote Counting***OW3105042993 Tokyo KYODO in English 0404 GMT  
31 May 93*

[Text] Tokyo, May 31 KYODO—Japan's 41 election monitors in Cambodia may put off their return home originally planned for Friday [4 June] because of slow progress in vote-counting, a government official said Monday.

Shunji Yanai, who heads the international peace cooperation headquarters of the Prime Minister's Office told the House of Councillors Budget Committee that counting of votes in the Cambodian general [election] is taking longer than had been expected. Yanai said he may have to rearrange the schedule for the return home of the election monitors with the United Nations Transitional Authority in Cambodia (UNTAC).

The 41 Japanese election monitors flew to Cambodia on May 17 ahead of the UN-organized election that began May 23 and ended last Friday. All of them are posted in the southern province of Takeo where a 600-member Japanese Self-Defense Forces contingent is stationed.

**Election Monitors Scheduled To Leave Cambodia***OW0206050993 Tokyo KYODO in English 0352 GMT  
2 Jun 93*

[Text] Tokyo, June 2 KYODO—Thirty-nine Japanese election monitors who have been helping count votes in the southern Cambodian province of Takeo will leave for Bangkok via Phnom Penh by helicopter on Wednesday [2 June], said Chief Cabinet Secretary Yohei

Kono. He said at a regular press meeting that the election monitors are scheduled to leave Takeo Wednesday morning since the counting of votes there are nearing an end.

Two other Japanese election monitors posted in Phnom Penh have already flown into Bangkok and will return home along with the 39 monitors, he said. Kono did not say when the Japanese election monitors will leave Bangkok for Japan.

Japanese officials in Cambodia have indicated that the 41 members of the Japanese election monitoring team will probably return on Friday.

**Miyazawa Sends Message 'Praising' Sihanouk***OW0306055593 Tokyo KYODO in English 0507 GMT  
3 Jun 93*

[Text] Tokyo, June 3 KYODO—Prime Minister Kiichi Miyazawa has sent a message to Cambodian head of state Prince Norodom Sihanouk, praising his leadership in the aftermath of the nation's first multiparty elections in 21 years, the government's spokesman said Thursday.

Miyazawa welcomed Sihanouk's initiative in trying to broker a coalition with the Phnom Penh government party and said Japan will fully support his efforts. Chief Cabinet Secretary Yohei Kono told a news conference.

Sihanouk has arranged a meeting between his son Prince Norodom Ranariddh, leader of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, and Chea Sim, president of the government's Cambodian People's Party (CPP). The two party leaders are to meet to discuss election results and a future constituent assembly.

FUNCINPEC is leading in the election and the CPP, which is falling behind, has charged that there are irregularities in vote counting.

Kono said Miyazawa's message noted that Japan will cooperate as much as possible in reconstructing Cambodia and bringing lasting peace there.

The Japanese prime minister sent the message Wednesday night through the Japanese Embassy in Cambodia, Kono said.

Japanese Ambassador to Cambodia Yukio Imagawa is scheduled to meet Sihanouk on Friday to discuss the situation in Cambodia, he said.

Kono, however, brushed aside suggestions that the message indicates Japan's support for Sihanouk to assume the presidency. The top government spokesman said it is important that a new leadership be completed based on agreements among Sihanouk, FUNCINPEC and the CPP.



### **Mitsubishi Consigns Research to Russian Firm**

*OW3105094193 Tokyo KYODO in English 0838 GMT  
31 May 93*

[Text] Tokyo, May 31 KYODO—Mitsubishi Electric Corp. awarded a 1 million yen research contract on superconductive magnet technology to a Russian concern, a company spokesman said Monday.

The Japanese major electric machinery maker consigned the research work last December to the Moscow-based Lebedev Physical Institute, and received the results in March, the spokesman said. He said the research covered basic technology on superconductive magnets for applications focusing on magnetic levitation vehicles.

It is the first research contract commissioned by a Japanese company to Russia, even before the collapse of the Soviet Union, industry analysts said.

The spokesman said that in March 1992 the company got a letter from the Russian concern seeking the contract, and Mitsubishi went ahead after consultations with the Ministry of International Trade and Industry.

Russia boasts advanced technologies comparable to the United States in the fields of nuclear fusion, superconducting materials, aircraft, and space, the analysts said. U.S. and European companies reportedly are consigning research activities to Russian concerns in those fields.

That trend is likely to spread in Japan as a new approach to cooperating on a private level with Russia, the analysts said. They noted that it carries no financial risk.

Concern about payment defaults is preventing Japanese companies from investing in Russia.

### **Illegal Chinese Immigrants on Container Ship**

*OW2905143293 Tokyo KYODO in English 1329 GMT  
29 May 93*

[Text] Yokohama, May 29 KYODO—A group of 13 Chinese stowaways planning to illegally enter Japan has been found on a container ship that docked in Yokohama on Saturday, immigration officials said.

The crew of the Danish-registered 43,325-ton *Leise Maersk*, which had sailed to Japan from Hong Kong, found the Chinese stowaways hiding in a storage area of the ship on Wednesday, the officials said. Officials said the stowaways, all men from Fujian Province in China, were not allowed to leave the ship because of Japan's Immigration Control Law.

The stowaways told immigration officials they snuck onto the vessel in Hong Kong on Monday with hopes of finding jobs in Japan. They also said that each stowaway paid 20,000-40,000 yuan (about 3,400-7,000 dollars) to a Chinese broker for what appears to be a scheme to enter Japan illegally, the officials said. None of the stowaways have passports.

The Immigration Control and Refugee Recognition Law does not allow them to disembark and obligates the ship's owner to send the stowaways back to their country of origin.

### **Tokyo, Seoul Agree on Bilateral Ecology Accord**

*OW3105092393 Tokyo KYODO in English 0812 GMT  
31 May 93*

[Text] Tokyo, May 31 KYODO—Japan and South Korea have agreed on the final draft of an ecological agreement that calls for exchanges of information on policies and technology and the promotion of joint environmental research, government sources said Monday. Representatives from Tokyo and Seoul will sign the Japan-South Korea agreement on cooperation for environmental preservation in the near future, the sources said.

The agreement calls for joint efforts in dealing with bilateral concerns of air, water, marine and soil pollution as well as cooperation in dealing with the larger issues of preserving biodiversity and halting global warming.

The agreement is expected to play a role in the elimination of the substances that lead to acid rain in Japan, halting pollution of the Sea of Japan—known as the East Sea in Korea—and the protection of migratory birds, the sources said.

The draft calls for cooperation in eliminating air pollution caused by automobile and factory exhausts, water pollution from the waste from homes and factories, and soil pollution caused by the use of pesticides and herbicides in agriculture.

The agreement also calls for cooperation in realizing the goals of the June 1992 earth summit of protecting biodiversity and checking global warming. The agreement will be implemented through the exchange of information on policies, legislation and technology as well as the exchange of scientists and technicians.

### **Sato Opposes Compromise on Electoral Reform**

*OW2905061993 Tokyo KYODO in English 0527 GMT  
29 May 93*

[Excerpt] Sapporo, May 29 KYODO—A senior official of the ruling Liberal Democratic Party (LDP) said Saturday he is against compromising on proposed electoral reform.

Koko Sato, chairman of the party's decision-making Executive Council, told a regular session in Sapporo of the party's Hokkaido chapter he opposes formulating a reform plan which cannot withstand criticism in the future. He said electoral reform is not a matter involving just the cabinet of Prime Minister Kiichi Miyazawa but one that reaches the very roots of the political system.



The LDP has been calling for a shift to a single-seat constituency system for House of Representatives general elections, while opposition parties seek a combination of single-seat and proportional representation systems.

Sato cautioned against compromise, saying both ruling and opposition parties should tackle the issue taking into consideration their relations in the distant future.

His comments came a day after Prime Minister Kiichi Miyazawa instructed LDP Secretary General Seiroku Kajiyama to try and build party consensus for a compromise with the opposition.

Sato said any change of policy has to be endorsed not only by the LDP Executive Council but all other party bodies concerned. [passage omitted]

#### **Mitsuzuka Stresses Need for Political Reform**

*OW2905092693 Tokyo KYODO in English 0835 GMT 29 May 93*

[Text] Shimonoseki, Yamaguchi Pref., May 29 KYODO—A senior ruling party official called Saturday [29 May] for thorough political reforms during the current session of the Diet.

Hiroshi Mitsuzuka, chairman of the Liberal Democratic Party's Political Affairs Research Council, told a news conference he will try to find the best way for political reforms in consultations with other party seniors. He said the consultations will start Monday with LDP Secretary General Seiroku Kajiyama playing the lead role.

Asked about prospects of general elections for the House of Representatives, Mitsuzuka said elections may be held immediately before the current four-year term of the lower house expires in February. Mitsuzuka declined to discuss the party's presidential election scheduled for September, saying the party is going all-out to back up Prime Minister Kiichi Miyazawa in the face of urgent tasks such as political reforms and July's Tokyo summit of seven industrialized nations.

#### **'Armed Attack' Vowed on Prince's Wedding Parade**

*OW3005043393 Tokyo KYODO in English 0308 GMT 30 May 93*

[Text] Tokyo, May 30 KYODO—A militant leftist group vowed Sunday to wage an armed attack on the motorcade of Crown Prince Naruhito following his marriage to Masako Owada on June 9. In a letter to KYODO News Service, the Revolutionary Workers Party (Kakurokyo) said the group will "wage an armed uprising with the aim of devastating the parade."

The crown prince and his diplomat-turned fiancée will drive several kilometers to their new home in the crown prince's palace in Akasaka from the imperial palace in

downtown Tokyo. A heavy police presence is expected for the duration of the procession, which will get under way after imperial ceremonies at the palace.

The threat was delivered to KYODO on Sunday morning. In the letter, the group claimed responsibility for planting an incendiary device at the home of former Japanese Ambassador to Moscow Toru Nakagawa on May 24.

Nakagawa apparently was singled out because he had recommended Owada as a possible bride for the crown prince when the Imperial Household Agency was screening candidates. The group blamed Nakagawa for "expediting a politically-motivated marriage."

#### **Metropolitan Police on Imperial Wedding Alert**

*OW3105014593 Tokyo KYODO in English 0102 GMT 31 May 93*

[Text] Tokyo, May 31 KYODO—The Metropolitan Police Department boosted police strength to 30,000 in the capital Monday to guard Imperial Household Agency property before the June 9 wedding of Crown Prince Naruhito and his fiancée Masako Owada. Left-wing extremists have vowed to disrupt the wedding and police have reported more than twice the rate of extremist-instigated incidents since January compared with the same period last year.

Police said a fire early Monday [31 May] morning damaged a window at the home of Hideo Izeki, head of the Imperial Household Agency's maintenance and works department, and scorched a concrete block wall outside the house. They reported finding a lead and batteries at the scene of the fire in Kiyose, northern Tokyo, and are treating it as an extremist protest against the imperial wedding.

Police are also investigating the cause of a Monday morning fire which destroyed a prefabricated building in Hachioji, western Tokyo, that was storing equipment of a road paving company formerly involved in construction work at Narita airport. The airport has long attracted protests by extremists upset over the government's treatment of farmers whose land was usurped for its construction.

#### **MITI Vice Ministerial Reshuffle Reported**

*OW0106014393 Tokyo KYODO in English 0133 GMT 1 Jun 93*

[Text] Tokyo, June 1 KYODO—Hideaki Kumano, director-general of the Ministry of International Trade and Industry's industrial policy bureau, was named administrative vice minister Tuesday. Kumano will succeed Yuji Tanahashi, who will retire together with Noboru Hatakeyama, vice minister for international affairs, the ministry said.

Sozaburo Okamatsu, director-general of the international trade policy bureau, will succeed Hatakeyama.



The appointments are subject to formal approval by the cabinet June 25.

Masahisa Naito, director-general of the ministry's secretariat, will replace Kumano as head of the industrial policy bureau, and Tomio Tsutsumi, director-general of the industrial location and environmental protection bureau, will succeed Okamatsu.

### **Ministry Reports Apr Housing Starts Rise**

*OW3105053093 Tokyo KYODO in English 0505 GMT 31 May 93*

[Text] Tokyo, May 31 KYODO—Japan's housing starts in April rose 1.1 percent from a year earlier to 121,651, for the 11th consecutive monthly increase, the Construction Ministry said Monday. The pace of growth compared with a 9.3 percent rise in March.

In April, starts on homes built by private individuals dropped 2.0 percent to 46,101, the first decline in the past 15 months. Of these, the number of those being built with private-sector housing loans dropped 11.6 percent while those being bought on public-sector loans went up 8.6 percent.

Starts on housing for rent rose for the 14th straight month, growing 4.3 percent to 52,657.

Starts on houses built for sale retreated 2.0 percent to 19,524, a turnaround from an 8.6 percent year-on-year advance in March.

Starts on multi-unit condominiums shrank 13.6 percent to 9,812 units. In March, the figure showed an 8.5 percent year-on-year advance.

## **North Korea**

### **Talks With U.S. begin in New York 2 Jun**

#### **First Day of Talks Concludes**

*SK0206233493 Seoul YONHAP in English 2322 GMT 2 Jun 93*

[Text] New York, June 2 (YONHAP)—The United States and North Korea held a high-level meeting on the North Korean nuclear and other issue here Wednesday and agreed to resume their talks on Friday. The first meeting, which took place at the United States Mission to the United Nations from 10 AM through 5 PM Wednesday, was attended by Robert Gallucci, assistant secretary of state for political and military affairs, and Kang Sok-chu, North Korean first vice foreign minister.

Following the morning session, Gallucci and Kang had lunch together and continued their talks, officials said. Talking to reporters after the meeting, Kang said "we had a useful discussion amid a sincere atmosphere. The nuclear as well as other issues were discussed." Kang said the two sides have agreed to resume talks at the U.S.

Mission on Friday and he was not in the position to disclose details of Wednesday's talks.

In a statement to the press, Gallucci said: "We had seven hours of discussion, but I cannot report any significant progress. "We did, however, agree to meet again on Friday."

### **U.S. Official: 4 Jun Meeting 'Crucial'**

*SK0306221593 Seoul YONHAP in English 0104 GMT 3 Jun 93*

[Text] New York, June 2 (YONHAP)—Robert Gallucci, the chief U.S. representative to the U.S.-North Korea high-level meeting, said Wednesday the conference made "no significant progress" but that the two sides had agreed to meet again on Friday. Gallucci, Assistant Secretary of State for Political and Military Affairs, said the two countries discussed for seven hours problems related to international efforts to resolve the North Korean nuclear issue and removal of the nuclear threat from the Korean peninsula.

Judging by the tone of Gallucci's official statement, the two sides must have sounded out each other and decided to convene another meeting as they could not reach a compromise, diplomatic observers said. However, Kang Sok-chu, North Korea's chief delegate and first vice foreign minister, positively evaluated Wednesday's talks, describing them as "useful" and saying they were held in a "frank and sincere atmosphere."

There is a possibility that the two countries could find a point that could lead to a compromise at the second meeting, the observers said. Right after the meeting, South Korean Ambassador to the United Nations Yu Chong-ha and other diplomats were seen entering the U.S. Mission to the United Nations for a briefing and consultations. At the meeting, the United States is understood to have asked North Korea to rescind its decision to withdraw from the Nuclear Non-Proliferation Treaty, accept special inspections by the International Atomic Energy Agency (IAEA) and implement the South-North Denuclearization Declaration.

North Korea, for its part, reportedly pressed for suspension of the joint South Korean-U.S. military exercise called Team Spirit, North Korean inspections of U.S. bases in South Korea, a U.S. guarantee not to launch a first nuclear strike against North Korea, removal of the U.S. nuclear umbrella from South Korea and respect for the communist system in North Korea.

Since the two sides had ample time to explain their positions on these points to each other at Wednesday's meeting, the second conference could very well prove to be crucial. Kang may attend Friday's meeting with "a new compromise card" received from Pyongyang during the one-day interval, informed sources said.



**North Envoy: 'No Big Progress' in Talks***SK0306075393 Seoul YONHAP in English 0236 GMT  
3 Jun 93*

[Text] New York, June 2 (YONHAP)—North Korea gave no indication at the U.S.-North Korean high-level talks that it will rescind its decision to withdraw from the Nuclear Nonproliferation Treaty [NPT], chief U.S. representative Robert Gallucci said Wednesday. Gallucci, assistant U.S. secretary of state for political and military affairs, reportedly told South Korean Ambassador to the United Nations Yu Chong-ha in a briefing on Wednesday's talks at the U.S. mission to the United Nations.

"North Korea explained why it has decided to withdraw from the NPT and the United States raised the importance of the NPT and conveyed the significance of the international community's concern for the North Korean nuclear issue," Gallucci said, according to Yu. The United States especially stressed the point for North Korea to remain in the NPT, Gallucci said.

Yu later told reporters that there appeared to have been no big progress in the talks and said they had proceeded in a business-like manner. "There were no heated discussions and apparently no loud voices were raised," Yu said.

Asked if the possibility of United Nations economic sanctions against North Korea was raised in the talks, Yu said, "the atmosphere of the talks was not for discussion of that topic." Yu also said Gallucci was anxious to find out what kind of attitude North Korea would take in Friday's second round of talks, indicating that Wednesday's meeting did not go beyond the stage of sounding out each other.

Gallucci, meanwhile, was reported to have briefed Japanese Ambassador to the United Nations Yoshio Hatano in a direct meeting in addition to relaying the result of his talks to members of the Security Council's permanent members, China, France, Britain and Russia.

**Group Urges Koreans To Build Confederal State***SK3105051693 Pyongyang KCNA in English 0438  
GMT 31 May 93*

[Text] Beijing, May 30 [date as received] (KCNA correspondent)—The meeting of the presidium of the National Alliance for the Country's Reunification (Pomminnyon) held in Beijing today called upon the compatriots at home and overseas to build in the country a confederal state, a pan-national unified state, in which the 70 million people will become one.

An appeal to the compatriots at home and overseas which was adopted at the meeting called upon the compatriots to achieve great unity of the whole nation, giving priority to the interests of the nation, stressing that great unity of the whole nation is the way of opening the road of national reunification, tiding over the grave situation created on the Korean peninsula.

It also appealed to them to bring a new turn in great national unity by getting all the legal and institutional devices obstructive to the great unity of the nation destroyed, all the arrested pro-reunification patriotic figures and prisoners of conscience released and reinstated, totally uprooting the sources of fascist dictatorship and realizing free contact and dialogue between political parties, groupings and people of all strata.

The appeal said that the entire fellow countrymen must intensify the anti-U.S., anti-war and anti-nuke peace movement for having the U.S. troops and nuclear weapons totally withdrawn from the South of the country and turning the country into a nuclear-free, peace zone and decisively check and frustrate the nuclear row raised up by the United States and its followers, and their provocative moves for another war in order to save the destiny of the nation from the crisis and defend its sovereignty with the united efforts and wisdom of the fellow countrymen.

It called upon them to lift up within and without louder voices of solidarity and encouragement to the activities of the preparatory committee for the formation of the South side headquarters of Pomminnyon in order to win the legalization of the Pomminnyon movement in the South of the country, and make every possible effort to hold the 4th pan-national rally with splendor as a common reunification festival of the nation, a festival of great national unity, in which fellow countrymen in the North, the South and overseas will get together.

The appeal stressed that the fellow countrymen should achieve the reunification in the 90s at any cost, holding high the banner of great unity of the whole nation and national independence.

**National Student Alliance Holds Phone Conference***SK3005091593 Pyongyang KCNA in English 0848  
GMT 30 May 93*

[Text] Beijing, May 29 (KCNA correspondent)—The first meeting of the presidium of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon) was held in the form of telephone meeting with the North side in Beijing, the South side in Seoul and the overseas side in Tokyo.

The meeting involved the delegation of the North side headquarters of Pomchonghaknyon headed by chairman Ho Chang-cho, the delegation of its South side headquarters headed by chairman Kim Chae-yong and the delegation of its overseas headquarters headed by co-chairmen Pak Ku-ho and Kim Chang-o.

The agenda included the question of opening the third grand reunification festival of youth and students of the North, the South and overseas for independence and peaceful reunification of the country and great national unity, the question of the June 12 Panmunjom talks, the question of confirming the reunification formula of the



Pomchonghaknyon presidium and a plan for this, the question of examining the content of the joint organ, the question of revising the programmes and the rules, the question of opening a general meeting of Pomchonghaknyon and the question of the management of the joint secretariat of Pomchonghaknyon.

A full consensus was reached on all the questions on the agenda at the meeting and a joint resolution was adopted in the name of the meeting.

### **Japan's Charge of North Nuclear Program 'Pretext'**

*SK0306063393 Pyongyang KCNA in English 0426  
GMT 3 Jun 93*

[*"Where Is 'Factor of Instability'?"—KCNA headline*]

[Text] Pyongyang, June 3 (KCNA)—The Japanese authorities are now claiming that the fictitious "nuclear arms development" by the Democratic People's Republic of Korea is the "factor of instability" in the Asia-Pacific region.

Commenting on this, NODONG SINMUN today says this is a very dangerous trick to cover up the real factor of the instability in this region, encourage the imperialists' moves of aggression, interference and war and isolate and stifle the DPRK.

The main factor of the instability in the Asia-Pacific region is the U.S. forces present in this region, their nuclear weapons and Japan's scheme to become a military power armed with nuclear weapons, the analyst says, and continues:

Japan, however, is groundlessly charging the DPRK, a victim, with "instability" in this region, ignoring its real factor. Lurking behind this is a sinister intention.

Japan seeks to gratify its reinvasion desire in this region by force of arms under the pretext of "ensuring security" by maintaining the confrontation system of the cold war period and availing itself of the U.S. policy of strength.

Japan is charging the DPRK with being the "factor of instability" in order to justify its moves to become a military power and a nuclear power.

### **Politburo Official Meets Japanese Party Head**

*SK3105114093 Pyongyang KCNA in English 1050  
GMT 31 May 93*

[Text] Pyongyang, May 31 (KCNA)—Kim Yong-sun, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly conversation with the delegation of the Japan Social Democratic Party headed by Yuzuru Shimazaki, vice-chairman of its Central Executive Committee and member of the house of representatives, at the Mansudae Assembly Hall Monday.

### **Youth Celebrate Children's Day With PRC Children**

*SK0206051793 Pyongyang KCNA in English 0413  
GMT 2 Jun 93*

[Text] Pyongyang, June 2 (KCNA)—A joint meeting of school children of Manpo City, Jagang Province, Korea and Jian City, Jilin Province, China was held in Manpo Tuesday on the June 1 international children's day.

Colorful art performances were given at the meeting which began with choruses the immortal revolutionary hymn "Song of General Kim Il-song" and Chinese song "Without the Communist Party There Would Be No New China" prepared by school children of the two countries on the occasion of the June 1.

Then the participants played sports games and amusements such as tug-of-war, friendship relay and running with balls in arms, divided into "friendship" and "solidarity" teams, pleasantly spending the international children's day.

### **PRC Public Security Ministry Group Returns Home**

*SK0206112793 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 31 May 93*

[Text] The PRC Public Security Ministry delegation led by its vice minister, Bai Jingfu, returned home today. Hwang Chin-taek, vice minister of public security, and a councillor of the PRC Embassy in our country met the delegation at the airport.

### **Conference on Korean Unification Held in Lisbon**

#### **Choe Tae-pok Arrives 27 May**

*SK3105131593 Pyongyang Korean Central  
Broadcasting Network in Korean 1305 GMT 29 May 93*

[Text] A delegation of the Korean Committee for Solidarity with the World People [KCSWP] headed by Comrade Choe Tae-pok, alternate member of the Political Bureau of the Workers Party of Korea Central Committee and secretary of the party Central Committee who is also chairman of the KCSWP, on 27 May arrived in Lisbon to attend the world conference for supporting the Korean people's cause of peace, security, sovereignty and reunification to be held in Portugal.

At the airport, the delegation was greeted by Fernandes, chairman of the Portuguese Democratic (?Reform League); (Albano Nunes), director of International Department of the Portuguese Communist Party Central Committee, and other officials concerned.

Our country's ambassador to Portugal also came out to the airport.



**Choe Tae-pok Meets World Leaders**

*SK0206111893 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 31 May 93*

[Text] On 28 May Comrade Choe Tae-pok, head of the delegation of the Korean Committee for Solidarity With the World People, alternate member of the Political Bureau and secretary of the Workers Party of Korea Central Committee, and chairman of the Korean Committee for Solidarity With the World People, met and conversed in Lisbon, Portugal with Francisco da Costa Gomes, former Portuguese president and honorary chairman of the International Liaison Committee for the Reunification of and Peace in Korea; (Lasgu Ugu Fernandez), chairman of the Portuguese Democratic Plan; (Togu Perices), chairman of Turkish Workers Party; and the political adviser to the Ugandan president.

The figures from many countries respectfully wished the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il long life and good health and expressed support for our people's just cause.

**WPK Hosts Reception for Cuba's Raul Castro Ruz**

*SK0306062893 Pyongyang KCNA in English 0422  
GMT 3 Jun 93*

[Text] Pyongyang, June 3 (KCNA)—The Central Committee of the Workers' Party of Korea (WPK) hosted a reception Wednesday evening on the 62nd birthday of Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba (CPC).

In his address, Kim Yong-sun, alternate Politburo member and secretary of the Central Committee of the WPK, said that Raul Castro Ruz, second secretary of the Central Committee of the CPC, took part in the revolutionary struggle against the U.S. imperialists and the dictatorial government of Batista, and has made a great contribution to the victory of the Cuban revolution by demonstrating a high degree of revolutionary spirit and organising ability as the commander of the Revolutionary Armed Forces of Cuba.

The course of the triumphant advance of the Cuban revolution, the speaker noted, is, indeed, unthinkable apart from the revolutionary activities of Raul Castro who is boundlessly loyal to Comrade Fidel Castro and is possessed of tough fighting spirit, uncompromising revolutionary principle, good organising ability and popular traits.

This is a significant year in which falls the 40th anniversary of the attack of the Cuban communists on the Moncada barracks which dealt the first blow to the U.S. imperialists and greatly encouraged the revolutionary struggle of the Latin American people, the speaker said, and continued:

Our party and people sincerely hope that the Cuban party and people will beautifully adorn this meaningful year with a high political zeal and brilliant achievements and register a greater success in their efforts to build socialism and powerful defences to suit the "special period in peacetime".

Cuban Ambassador to Korea Juan Jose Leon Vega said in his speech that though the two countries are small, their principled policies are respected in the world as they are guided by Comrade Kim Il-song and Comrade Fidel Castro, great leaders.

Any problem will not be solved with the recent "resolution" adopted by the U.N. Security Council against the DPRK over the "nuclear problem", the speaker said, and went on:

The parties concerned must solve the problem at the negotiating table from the stand of equality.

Demanding the withdrawal of all the U.S. troops and military equipment from South Korea, he said that Cuba fully supports the proposals of the DPRK for dialogue. The South Korean authorities must actively respond to them, placing the interests of the nation above anything else, he stressed.

The two peoples will be ever-victorious as they are peoples with unshakable ideas and great hearts under the guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and the supreme commander Comrade Fidel Castro.

The reception was attended by Choe Kwang, Politburo member of the WPK Central Committee and chief of the general staff of the Korean People's Army.

**Envoy to Kyrgystan Presents Credentials**

*SK0106224693 Pyongyang KCNA in English 1503  
GMT 1 Jun 93*

[Text] Pyongyang, June 1 (KCNA)—Feliciano Salomao Gundana, secretary general of the Central Committee of the Mozambique Liberation Front Party, said when he met the Korean ambassador on May 28 that there would be no change in the position of the Mozambique Liberation Front Party supporting the principled and stiff stand taken by the Workers' Party of Korea [WPK] on the "nuclear problem" and that his party would always be with the WPK.

He wished the Korean people success in their struggle for socialist construction and national reunification.

On the same day Feliks Kulov, vice-president of the Republic of Kyrgyzstan, receiving credentials from the Korean ambassador, said that the publication of the "10-point programme of the great unity of the whole nation for the reunification of the country" by respected President Kim Il-song was an important step toward an



early realization of the realistic proposal for reunification through confederacy and that the Kyrgyz Government and people invariably support the desire of the Korean people for national reunification.

Prime Minister of Burkina Faso Youssouf Ouedraogo, when he met Vice-president of the DPRK Yi Chong-ok, a special envoy of President Kim Il-song, on May 27, declared that the government of Burkina Faso fully supported the Korean people's struggle to put an end to the interference of outside forces and found a unified state with the great unity of the whole nation under the guidance of the great leader His Excellency President Kim Il-song.

#### **Envoy to Ethiopia Received by Eritrean President**

*SK0206065293 Pyongyang Korean Central  
Broadcasting Network in Korean 1500 GMT 30 May 93*

[Text] Eritrean President Issayas Afeworki received our country's Ambassador to Ethiopia Chang Hak-su on 24 May.

At the meeting, the ambassador delivered greetings from the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il to President Issayas Afeworki. The president expressed deep gratitude and asked the ambassador to convey heartfelt greetings to the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il.

The president expressed his gratitude to the great leader Comrade Kim Il-song for the latter's congratulations on the independence of Eritrea. He talked about development of relations between Eritrea and the DPRK.

Mahmud Ahmed Mahmud, foreign minister of Eritrea, was present at the meeting.

#### **Commentator Reviews May International Scene**

*SK0106130993 Pyongyang Korean Central  
Broadcasting Network in Korean 1148 GMT 31 May 93*

[Review of the international situation during May by station commentator Kim Ho-sam: "The World Supports and Extends Firm Solidarity With the Korean People's Just Cause"]

[Text] The great leader Comrade Kim Il-song has taught: Governments and peoples of various peace-loving countries are paying attention to the grave situation on the Korean peninsula; expressing grave worries about it; and supporting our people's struggle to prevent war, defend peace, and independently and peacefully reunify the fatherland.

Various incidents and events occurred in the international arena in May, including noteworthy developments in Asia, Africa, the Middle East, and various other regions. Among other things that attracted people's

attention was the tense situation on the Korean peninsula after the imperialists stepped up their maneuvers against the republic.

On 11 May the UN Security Council adopted a very unreasonable resolution regarding an issue involving our country. The resolution asks our country on the one hand to reconsider its withdrawal from the Nuclear Nonproliferation Treaty [NPT] and on the other hand to accept the International Atomic Energy Agency's [IAEA] resolution on special inspections.

Increasing U.S. nuclear pressure gravely infringed upon our independence and the country's supreme interests. Our republic's withdrawal from the NPT was an unavoidable measure to stop this infringement and was a just self-defensive measure.

It has been clearly revealed worldwide that the IAEA's resolution on special inspections is unreasonable and is designed to slander someone else. Nevertheless, attempting to deceive with apparent guile [nungamgo aonghanungyoguro], the UN Security Council—at variance with its inherent mission—reiterated its brigandish [kangdojogin] demand that we reconsider our withdrawal from the NPT and accept the resolution on special inspections. This is another intervention in our country's internal affairs and a grave infringement upon our country's independence.

As everyone knows, the United Nations, whose mission is to ensure stable peace and stability in the world, must strictly abide by the principle of fairness in resolving international disputes. The UN Security Council, which among the UN agencies has the greatest responsibility and can exercise the greatest power regarding peace and stability, must be even more fair and just in resolving disputes.

Nevertheless, having been reduced to a tool for the big countries' tyranny, the UN Security Council unhesitatingly infringed upon other countries' independence. Its actions were unjust and do not comply with the United Nations' authority. Therefore, they were duly denounced by the world's fair social circles. This denunciation was truly [words indistinct] and a matter of course.

(Samar Mukerji), leader of the parliamentary group of the Communist Party of India-Marxist, said: Joining an international treaty or withdrawing from it is a matter of each country's sovereignty. Therefore, the DPRK's withdrawal from the NPT cannot be discussed at the UN Security Council, and there is no legal basis for the United Nations to adopt any resolution.

Labor union leaders from many countries who participated in a seminar on economic development and labor unions in Asia said in a statement of protest: We recognize that the UN Security Council's resolution on the DPRK nuclear issue is unjust because it is not based on the principle of impartiality and universality. We



stress that the adoption of this invalid resolution is a crime, intended to crush independent countries like the DPRK.

The African Regional Committee for Friendship and Solidarity With the Korean People issued an appeal denouncing the UN Security Council for adopting, under U.S. control, an unjust resolution aimed at passing massive sanctions against the DPRK using its withdrawal from the NPT as a pretext.

During May, peace-loving people around the world also denounced the UN Security Council for applying a double standard regarding the nuclear issue and demanded that the United Nations remain fair, just, and objective.

Nothing can justify a policy that applies a double standard, under which the UN Security Council puts pressure on a victim while overlooking the offender who is creating a nuclear threat in violation of its duties under the NPT.

As mentioned above, the UN Security Council should keep the peace and security internationally. Accordingly, it must discuss any maneuver to destroy or threaten peace and security and then block it.

If our so-called nuclear development is a threat to international peace and security, we can say that the U.S. nuclear weapons deployed in other countries severely threaten it hundreds of times more.

From this viewpoint, the Russian paper (PATRIOT) noted: If the UN Security Council intends to deliberate the nuclear issue from the position of being responsible for the peace and security of the world, it must regard the nuclear ambition of the United States—the first country to develop weapons of mass destruction and which has accumulated the greatest amount—as an issue to be discussed before anything else. The paper insisted that the UN Security Council maintain the principle of international justice and impartiality.

(Zepiro), president of SHIHATA, Tanzania's news agency, said: The United States has provided South Africa with nuclear technology and has helped Israel and South Korea with their nuclear development. It is absurd for the United States to try to put sanctions on the DPRK, saying the DPRK did not implement the safeguards accord and the like.

In the meantime, during May the people of the world insisted that the nuclear issue on the Korean peninsula cannot be resolved by force or pressure and that it should be settled peacefully through negotiations. They have expressed their solidarity with us, supporting the principled, fair, and just insistence of the government of our republic.

The Burkinabe paper (SIDWAYA) said that sanctions and pressure run counter to the basic trend now that the

Cold War has ended and that those methods would make the situation more complicated and create obstacles to resolving the issue.

The Peruvian Party of Socialist Revolution said in a statement: The nuclear issue on the Korean peninsula cannot be resolved high-handedly and forcibly, as the United States and the UN Security Council are pursuing. It should be resolved through DPRK-U.S. negotiations.

These are examples of how people around the world strongly denounced the UN Security Council's unjust resolution concerning the nuclear issue on the Korean peninsula and sent us their absolute support and solidarity for our people's just struggle.

The international situation in May shows that all people who value peace and security as well as justice are carefully watching the imperialists' maneuvers aimed at interfering in other countries' internal affairs and at infringing upon their sovereignty by abusing an international agency and that they are struggling resolutely against those maneuvers.

#### **Importance of Education on Loyalty Stressed**

*SK2905150793 Pyongyang Korean Central*

*Broadcasting Network in Korean 0015 GMT 27 May 93*

[NODONG SINMUN 27 May editorial: "Let Us Further Deepen Education on Loyalty to the Party and the Leader"]

[Text] Party organizations of all echelons shoulder a heavy task requiring them to more vigorously embark on ideological education in order to implement the party Central Committee's slogans on the 40th anniversary of the Fatherland Liberation War victory. What is important in the ideological education is to conduct in-depth education on loyalty to the party and the leader in conformity with the demands of developing realities.

The dear leader Comrade Kim Chong-il has indicated:

Firmly relying on the leader as the mainstay of our heart, we should learn that the most valuable and worthwhile life consists in our faithfully carrying out the revolutionary task given by the leader. In this way, we should be boundlessly loyal to the leader through the revolutionary practice of realizing the leader's ideology and intent.

The chuche socialist idea is precisely embodied in loyalty to the party and the leader. Defending, protecting, and adhering to socialism requires that we arm people with socialist ideology. To do so, we should have them deeply cherish loyalty, above all, to the party and the leader.

Apart from upholding the party and the leader who lead the socialist cause to victory, we cannot discuss loyalty to socialism. Historical experience shows that the victory of socialism depends upon whether people have absolute and unconditional faith in their party and leader or not.



Our society is firmly organized with the ranks of loyalty which staunchly defend, protect, and adhere to the chuche cause of socialism and accomplish it to the end under the leadership of the party and the leader.

The entire party, all the people, and the whole Army today are firmly united with loyalty and filial piety around the respected and beloved supreme commander Comrade Kim Chong-il. Today's political and ideological might of our revolutionary ranks based on such a firm unity has been strengthened at no time. This is the greatest success achieved in building the strong socialist base. We should incessantly conduct education on sincerity among the party members and working people in order to consolidate this success and further strengthen our revolutionary ranks politically and ideologically.

The imperialists' and reactionaries' challenges and obstructive maneuvers aimed at isolating, stifling, and obliterating our socialism are becoming apparent with each passing day. The might of socialism of our own style springs from popular masses's absolute loyalty to the party and the leader.

When all the party members and working people uphold the leadership of the party and the leader to the end and arm themselves with a burning faith of staunchly defending and protecting their leader by serving as a citadel and a shield, they can shatter the antirevolutionary offensive by any enemies.

Party organizations of all echelons should keep grasping and endlessly deepen education on loyalty to the party and the leader. Party organizations should strengthen the ideological indoctrination by placing primary emphasis on, above all, having the party members and working people make loyalty to the party and the leader faith, conscience, morality, and part of their daily life.

The Workers Party of Korea Central Committee's slogans have indicated:

Let us become the revolutionary fighters boundlessly loyal to the socialist cause by making loyalty to the party and the leader faith, conscience, morality, and part of our daily life.

Loyalty to the party and the leader can be the most solid and unfading one when we make it faith, conscience, morality, and part of our daily life.

Party organizations should persistently carry out among the party members and working people the work of having them master the profound principles of chuche on the position and role the leader has in the revolutionary struggle.

At the same time, party organizations should have them deeply learn the greatness of the respected and beloved leader, the peerless great man, and the greatness of the dear leader Comrade Kim Chong-il who has both literary and military accomplishments, and loyalty and filial piety and who brilliantly inherits and develops the chuche cause of revolution. Thus, party organizations

should also have everyone cherish the firm position and concept that our leader and our party are of the first importance to him and that the party and the leader are the only existences he knows.

We should foster the party members and working people as genuine loyalists and dutiful children who never forget under any storm the great benevolence granted by the party and the leader and who forever uphold their leader [suryong] and their leader [yongdoja] as the great benefactor and father.

The work of encouraging party members and working people to follow vivid model cases of loyalty should be carried on continuously and vigorously.

Many genuine revolutionary fighters, who are loyal and filial to the party and the leader, have been produced during the course of the Korean revolution which has advanced with the great leader. In indoctrinating party members and working people, the fighters' revolutionary lives and trait can move them more than hundreds of words.

We should indoctrinate party members and working people so that they can follow the invincible faith and will of the young communists and anti-Japanese guerrillas, who created the honorable tradition of loyalty, and so that they can brilliantly embody it on the road of upholding the dear leader Comrade Kim Chong-il's leadership.

At the same time, we should vigorously carry out work of following the lofty spirit of heroic fighters of the Fatherland Liberation War, who death-defyingly defended the party and the leader during the most severe period, and that of unknown heroes and persons of merit, who devoted all their wisdom and energy to embodying the party's and the leader's intent.

Comrade Yi In-mo, a former war correspondent of the Korean People's Army who is known to the world, is the very picture of faith and will that our party members and working people should regard as a model.

Party organizations should raise all party members and working people as resolute communist revolutionaries, who firmly trust and follow only the great leader and our party without fluttering in any wind like Comrade Yi In-mo.

To strengthen the indoctrination on loyalty to the party and the leader for young generations is now emerging to be a very important problem concerning the prospect of socialism of our own style.

Party organizations should have special interest in the indoctrination work of having the tradition of loyalty, which the first and second generations of our revolution created and have glorified, be inherited perfectly to the third and fourth generations. By doing so, they can lead our young people to brilliantly embody their pledge to



become five million rifles and bombs that death-defyingly defend the dear leader Comrade Kim Chong-il in their work and lives.

In order to strengthen the indoctrination on loyalty to the party and the leader in accordance with developing realities, it is important to carry out this work in close connection with the practice of the revolution.

Today our country is invariably defending the revolutionary banner of socialism by bravely smashing all interference maneuvers by imperialists. This grand reality is reassuring party members' and working people's faith in the greatness of the party and the leader.

Party organizations should make all party members and working people deeply learn the iron will and extraordinary leadership of the great leader and dear leader Comrade Kim Chong-il, who are leading the revolution and construction to the straight single road of victory, as well as deeply bear the faith in certain victory of socialism of our own style.

We should make party members' and working people's organizational and ideological lives and the course of their practice of the revolution become the course of embodying the absolute, unconditional worship of the party and the leader as well as the course of ceaseless moral training and schooling of themselves as genuine filial and loyal subjects.

We should have all party members and working people deeply learn the truth of history that our people's destinies and future depend on the leader [yongdoja] by seeing actual conditions of countries, where socialism was frustrated and capitalism has been rehabilitated. By doing so, we can make all party members and working people be deeply aware of their great luck to be under the leadership of the great party and leader [suryong], who are leading the people's destinies with complete responsibility, and can make them be loyal to the party's leadership to the end.

Various party organizations should constantly intensify the indoctrination on loyalty to the party and the leader in various forms and methods—such as explanation, dialogue, lectures, studying, and art agitation—so that party members and working people can always be vibrant with ardor of loyalty wherever they live and work.

#### **Farmers Complete Countryside Rice-Transplanting**

*SK0106234593 Pyongyang KCNA in English 1505 GMT 1 Jun 93*

[Text] Pyongyang, June 1 (KCNA)—Rice-transplanting in the whole area of paddies except the cold districts and some seedbeds had been finished as of May 31 in the countryside of Korea.

The completion of rice-transplanting which holds a most important place in the grain production of the country at

the most opportune time for highest per hectare yield, as required by the farming method of *chuche*, is another guarantee for another rich harvest this year in which the 40th anniversary of the victory in the war (July 27) falls.

Now the co-op farmers are carrying on weeding and manuring under a detailed plan.

#### **Kim Chong-il Sends Thanks to Working People**

*SK0206104393 Pyongyang KCNA in English 1013 GMT 2 Jun 93*

[Text] Pyongyang, June 2 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to the workers, technicians and office employees of the Puryong general metallurgical works in North Hamgyong Province and three-revolution team members there who had performed feats in the expanded reconstruction of the ferro-alloy shop of the works.

They had constructed a building of some 4,000 square metres intended for an electric furnace, manufactured more than 1,500 tons of processed sheet metal and remodelled the crushing, carriage and feeding processes along modern lines by their own efforts in a short period.

Thanks of Comrade Kim Chong-il also went to the employees of the Sangwon cement complex and soldiers of the Hwang Won-kil Unit of the Korean People's Army who had participated in the construction of the "Kunmin (army-civilian) bridge". They completed the bridge extending one hundred and scores of metres and an induction road of some 1,200 metres at the confluence of the Sangwon stream in Sangwon County, Pyongyang, and its tributary.

He also sent thanks in the name of the Central Military Commission of the party and the supreme commander of the Korean People's Army to Pak Sok-chol, an officer of the Korean People's Security Forces, and the employees of the Hwangju housewives' production cooperative in North Hwanghae Province who had contributed to the full display of the beautiful tradition of unity between officers and men and between the army and the people.

#### **Working People Top May Economic Targets**

*SK0206215493 Pyongyang KCNA in English 1507 GMT 2 Jun 93*

[Text] Pyongyang, June 2 (KCNA)—The May targets were topped by working people in various branches of the national economy of Korea who are putting spurs to production and construction in hearty response to the calls issued by the C.C. [Central Committee], the Workers' Party of Korea on the occasion of the 40th anniversary of the victory of the Korean people in the war (July 27).

The monthly assignments were overfulfilled by the State Power Industry Commission, the State Commission of the Electronics and Automation Industry, the Ministry



of Forestry, the Ministry of the Ship-building Industry, the Ministry of Maritime Transport, the General Bureau of Extractive Machine Industry, the General Bureau of Shoe-making Industry, the Pyongyang Municipal General Bureau of Garment Industry and number of other units in coal, metal, building material and chemical industries.

The State Commission of the Electronics and Automation Industry fulfilled its monthly quota at 107 percent to satisfy the national economic demands for automatic apparatuses, chips and devices and the General Bureau of Extractive Machine Industry hit the monthly goal at 125.4 percent to meet the demands of the coal and ore mines for equipment.

The May plans were topped also by the leading metal works, coal mines and ore mines such as the Kim Chaek iron and steel complex, the Hwanghae iron and steel complex, the Musan mining complex, the Sunchon, Anju, Kaechon, Tokchon and Kujang Districts coal mining complexes.

In the period, the General Bureau of Shoe-making Industry nearly doubled the production of shoes as against the same period last year.

#### KCNA Reviews 3 Jun Pyongyang Press

SK0306064093 *Pyongyang KCNA in English* 0437  
GMT 3 Jun 93

[Press review]

[Text] Pyongyang, June 3 (KCNA)—NODONG SINMUN today reports that President Kim Il-song of the Democratic People's Republic of Korea received a message from chairman of the Presidential Council of Yemen 'Ali 'Abdallah Salih in reply to his message of greetings on the national day of the Republic of Yemen.

It is reported in the paper that the great leader President Kim Il-song received solidarity messages from Mali and Algeria supporting his "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" and that his reminiscences "With the Century" is widely introduced abroad.

Papers report that the dear leader Comrade Kim Chong-il sent a floral basket to the Cuban Embassy here on the 62nd birthday of Comrade Raul Castro Ruz, second secretary of the C.C. [Central Committee], the Communist Party of Cuba.

NODONG SINMUN reports that the C.C., the Workers' Party of Korea hosted a reception on the birthday of Comrade Raul Castro.

Comrade Kim Chong-il's works are disseminated and studied in foreign countries, says the press.

NODONG SINMUN reports that Comrade Kim Chong-il sent thanks and gifts to war veterans of South Korean origin in Songyo district, Pyongyang, who volunteered

for the Korean People's Army during the war and their children for their examples in tightening the bonds between the army and the people.

Printed in the paper is a message of greetings of the C.C., the Workers' Party of Korea to the 33d convention of the Social Democratic Party of Austria.

Papers inform the readers that a story about mysterious lightning and thunder in the sky above Chong-il peak in Yanggang Province, the sacred land of revolution, is spreading rapidly throughout the country as a legend of hero.

Under the bannerline title "It Is Honor of the Age of Independence To Have Dear Comrade Kim Chong-il at the Head of Revolutionary Armed Forces" MINJU CHOSON conveys the reaction of world public circles and press to his election as chairman of the National Defence Commission of the DPRK.

An article of NODONG SINMUN says that Comrade Kim Chong-il wisely guided the peasants to effect a new upswing in grain output by doing farm [as received] as required by the chuche method of farming.

NODONG SINMUN runs an editorial titled "Let Us Defend to the End and Glorify Socialism Won at Cost of Blood" and MINJU CHOSON an editorial titled "Let Us Make Socialism Our Faith and Morality."

Figuring large in papers are economic news including a report about unprecedented innovations made by working people in metal industry in production in hearty response to the calls of the party Central Committee on the 40th anniversary of the victory in the war.

Papers dedicate articles to the 29th anniversary of the June 3 uprising of South Korean students and people, stressing that the desire of the resistance fighters will be realised without fail.

NODONG SINMUN reports about intensive aerial espionage of the U.S. imperialists on the northern half of Korea.

Papers convey voices of world political and public circles supporting the 10-point programme of the great unity of the whole nation and the Korean people's cause of national reunification.

NODONG SINMUN in a commentary denounces the allegation of the Japanese authorities that the fictitious "nuclear arms development" of the DPRK is a "factor of instability" in the Asia-Pacific region.

A commentary of MINJU CHOSON hits at Japan's scheme to gloss over the problem of "comfort women for the army."

Papers deal with the successful socialist construction in Cuba, the 4th Asia-Pacific Congress of Red Cross and Red Crescent Societies, the entry of Eritrea and Monaco



into the United Nations and denunciation of the U.S. plan to resume nuclear test by foreign media.

NODONG SINMUN runs an article on the growing "urban poverty" in capitalist countries.

### South Korea

#### North Korean Defects, Granted Asylum in South

SK0306095893 Seoul YONHAP in English 0910 GMT 3 Jun 93

[Text] Seoul, June 3 (YONHAP)—A North Korean man who had escaped North Korea aboard a foreign vessel, asked for and was granted asylum in South Korea on Thursday, the Agency for National Security Planning (NSP) reported. The defector was identified as Ko Chong-song, age 32, who was a guidance official at the revolutionary relics preserve of Kanggye city of the Chagang Province.

The NSP said the agency took over Ko from the foreign vessel on international waters on Thursday [3 June] morning and was finding out details about his defection. "Mr. Ko said he had longed for life in the South and escaped North Korea in fear of punishment after he was heavily reprimanded for his failure to attain the foreign exchange earning quota allotted to him," the NSP said.

He claimed that Yi Sam-no who is the chief North Korean negotiator at the current Japan-North Korea normalization talks happens to be his mother's brother, the agency said. Ko is the first defector from North Korea so far this year.

#### Kim Chong-il Absence Indicates 'Changes' in DPRK

SK0306011993 Seoul TONG-A ILBO in Korean 3 Jun 93 p 2

[By correspondent Kim Chung-kun from Beijing]

[Text] It seems that there are changes in North Korea regarding the transfer of power to Kim Chong-il.

A Western diplomatic source in Beijing has said: Kim Chong-il ensured his position as successor to Kim Il-song as a result of his election as chairman of the Central Military Commission in December last year [as published—Bureau records show that Kim Il-song is still chairman of the Central Military Commission; Kim Chong-il was elected chairman of the National Defense Commission on 9 April 1993]. However, he has not appeared at an official meeting in two months. This indicates important changes in the process of transferring power to him.

#### Nuclear Researcher on DPRK Effort To Make Bomb

SK2805093693 Seoul WOLGAN CHOSON in Korean May 93 pp 342-346

[Interview with Yi Chang-kon, researcher at the Korea Atomic Energy Research Institute, by Kang In-son: "Unification Will Become Difficult if North Korea Acquires a Nuclear Weapon"]

#### [Text] Traces of High-Explosive Tests Deliberately Left Exposed

[Kang] IAEA analysis of chemical waste samples provided by North Korea do not coincide with what North Korea has reported to the IAEA. It is said that the technology involved in such analysis is not that complex. If that is the case, was it not North Korea's intention to deliberately notify the international community of its reprocessing? In other words, from the very beginning North Korea has been pursuing nuclear development with the intention of utilizing it as a political card.

[Yi] Such a possibility exists. There is one other area that is incomprehensible: the remnants of high-explosive tests in the vicinity of the atomic energy research facility located in Yongbyon. The shock from such a high-explosive test is great. In an institute where precision research is taking place, the flight of just one helicopter overhead is enough to shake a table. Would there be a need to conduct high-explosive tests with similarly great vibrations so close to a research institute? There are many other facilities where such tests could have been conducted and they also could have been conducted underground. One cannot help but reach the conclusion that high-explosive tests that would leave such traces were conducted deliberately so that they could be seen.

[Kang] The IAEA is said to have installed surveillance cameras after conducting ad hoc inspections of the atomic reactor and reprocessing facilities at Yongbyon. If that is the case, then any further reprocessing at those facilities is supposedly impossible. Do you believe that there are other reprocessing facilities in North Korea in addition to those at Yongbyon?

[Yi] IAEA surveillance cameras are said to take four photos per minute. This is an estimate, since the actual number of photographs taken is kept secret by the IAEA. Because these cameras are not connected to the power supply but run on batteries instead, inspectors of the IAEA must go directly and change the film and the batteries.

However, I feel that there are reprocessing facilities in North Korea other than those at Yongbyon. There is a possibility that the North has focused world attention on Yongbyon while there are other such facilities elsewhere. The possibility of this has already been proven in the case of Iraq.

There is one other possibility: North Korea has enriched uranium using centrifugal separation. There are two



methods by which nuclear bombs may be produced: reprocessing spent nuclear facility to over 99 percent plutonium; enriching uranium and building the bomb.

Comparing these two methods, the method of extracting plutonium is similar to carrying a backpack to transport goods, while enriching uranium is similar to transporting materials on a conveyor belt. The advantage of uranium enrichment is that it can be done continuously and in large quantities. It also contributes greatly to technological development. In the recently revealed case of South Africa's secret nuclear development, an atomic bomb was built utilizing the uranium enrichment method.

#### **Enriching Uranium Through Centrifugal Separation**

[Kang] But are uranium enrichment facilities not extremely large?

[Yi] The most utilized enrichment method up until now has been gas diffusion. This requires large facilities as well as a large quantity of water and electricity. Centrifugal separation, however, does not have as great a requirement. Of course, even with centrifugal separation the scale of facilities needed is still greater than that for reprocessing facilities. However, I still believe that North Korea has enriched uranium by centrifugal separation.

The last time that the IAEA inspection team visited North Korea, they reportedly found a tunnel 150 meters in length that North Korea had not reported. At the end of this tunnel was a room 40 meters in length, 10 meters in width, and 6 meters in height. When the room was entered, only the North Koreans carried flashlights. Thus the IAEA inspection team was unable to see the inside of the tunnel in any detail and was therefore unable to confirm whether the room was connected to any power lines. When the IAEA asked what purpose the room was for, the North Koreans responded, "It is a location to where our scientists could flee should the U.S. imperialists bomb us." Taking into consideration their average height, however, there is no reason for such a facility to be six meters high. Some infer that this room was designed to place chemical facilities in. There are also possibly other rooms in addition to this one.

[Kang] If there is yet another reprocessing facility in addition to Yongbyon, then spent nuclear fuel would have to be transported there to extract the plutonium. Can spent nuclear fuel be easily transported?

[Yi] First, because spent nuclear fuel emits heat, there must be some means by which to cool the fuel in transit. Second, there must be facilities to shield the nuclear radiation. Up to this point, the technology involved in either of these two requirements is not that difficult. Third, in the case of advanced countries, the nuclear fuel must be protected in case it is dropped from a height of nine meters or more. However, as long as the first and second requisites above are guaranteed, there is no absolute necessity for the third.

With the length of nuclear fuel in North Korea's atomic reactor being under one meter, it would be easy to secretly cart off nuclear fuel to another location because transporting it is no big problem.

[Kang] Do you believe that North Korea has hidden an atomic reactor underground?

[Yi] Although reprocessing facilities may be placed underground, there are many problems in placing an atomic reactor underground. First, emergency procedures cannot be prepared well. People must be able to evacuate the facility quickly. That is impossible in an underground facility. There are also great transportation costs. Also, because heat is emitted, the temperature difference between the location of the reactor and the surrounding areas can be easily identified by satellites.

#### **Uranium Mines at Pyongsan, Hwanghae Province**

[Kang] Is there not, however, a lack of evidence that North Korea has enriched uranium?

[Yi] There had been mention that four to five years ago, North Korea bought some materials related to centrifugal separation from Japan and Europe. There is also a mine in Pyongsan, Hwanghae Province, from which good quality uranium may be obtained. There are an exceptionally large number of buildings in this vicinity. For merely a mine, there is no need for such a large number of buildings. It is thus surmised that uranium reprocessing facilities may be there. There has also been a rumor that these facilities have recently been moved to North Pyongan Province.

[Kang] There are increasing assertions within our government that North Korea has finally awakened to the fact that "nuclear development does not greatly assist in the stability of the regime" and that they appear to be trying to turn nuclear development into a nuclear card. Even the United States essentially appears to be lowering its estimations of North Korea's nuclear capabilities, saying, "The atomic reactor at Yongbyon and the radiochemistry laboratories have come under IAEA inspection, and even if there were other facilities, they are likely small scale." However, there appear to be many people within the field of technology who state that North Korea will not abandon its deep attachment to nuclear weapons development.

[Yi] There is a tendency among technicians to focus on their work regardless of policy or strategy. Those in North Korea who are in charge of nuclear development would appear inclined to do likewise. I believe that it is excessively optimistic to think that North Korea would abandon nuclear weapons development because of political pressure. With nuclear development being an initiative undertaken to preserve the regime of Kim Il-song and Kim Chong-il, I believe that they will definitely build a nuclear weapon regardless of the sacrifices suffered.



First, once one sets off on this path, one eventually comes to a point where one must cross a bridge of no return. Once that point is passed, there is no retreating even if one knows it is worthless to continue. Inasmuch as nuclear development is a project that the North Korean regime has pursued with tenacity for 30 years, I believe that there is little possibility of change.

[Kang] How can we respond if given a worst-case scenario in which North Korea has constructed a nuclear weapon?

[Yi] I believe that economic sanctions have the greatest potential. North Korea's first vulnerability is oil. Also, the North would suffer a severe blow should they be unable to import parts such as those needed for weapons imported from the Soviet Union. Since parts must constantly be replaced not only on weapons but also in machines, regular industry as well as the defense industry will suffer severe hardships.

In India's case, even though they developed a nuclear weapon, they were unable to use it. When conflicts arose with China and with Pakistan, India was unable to effectively use nuclear weapons. India had to incur many costs for developing nuclear weapons. First, because the entirety of their elite was focused on nuclear development, other industrial sectors suffered. After nuclear development succeeded, India was unable to acquire technical information or materials from abroad. All Indian scientists abroad were deported, and India was criticized whenever there was an international conference. On the domestic economic side, inflation and unemployment worsened, and the regime eventually collapsed.

#### **A Nuclear Weapon Is the Greatest Obstacle to Unification**

[Kang] To produce a nuclear weapon, one must first succeed in plutonium reprocessing. At the same time, research must be carried out on high-explosive devices. Do you believe that North Korea could have made a nuclear bomb after conducting research in these two areas, synthesizing them, and not even conduct one test in the process of making the bomb? Granted there was the case of Israel who did not conduct tests.

[Yi] It is said that Israel obtained results through convincing computer simulations. I believe that it would be difficult for North Korea, however, even when one considers their considerable levels of technology in metallurgy and machine engineering.

When Edison invented the filament, for example, he is said to have conducted 6,600 tests. When the nuclear bomb was made in the United States, the most eminent scientists were gathered and conducted a similar number of tests. One can guess just how difficult it would be based on these examples. If these tests are conducted underground, then they could be detected with a seismograph.

[Kang] If North Korea does obtain a nuclear weapon, then would not unification become more difficult?

[Yi] Most likely. Peter Hayes stated: "If North Korea has a nuclear weapon, then it will become a decisive and perhaps permanent obstacle on the road to unification. A stronger peripheral country would likely launch a preemptive strike against them." In that regard, North Korea's nuclear policy is detrimental to both unification and to the Korean race.

[Kang] There are some who advocate South Korea's securing nuclear sovereignty as well.

[Yi] We receive no real benefit by gaining nuclear sovereignty. This is even more so the case in a nation like ours that has an externally dependent economic structure. Such research has already been undertaken in Australia. Their conclusion was: "Australia is a nation dependent on exports. If we should acquire nuclear weapons, other nations would likely not import Australian goods. Thus, acquiring nuclear weapons is not in the national interest."

When this research was conducted in Australia 17 years ago, academicians in defense-related fields asserted the following: "From 1939 until the mid-1970's, there have been some 200 international conflicts. The average amount of time from the initial conflict between two countries to the first squeezing of a trigger is 14.3 months. Since it would be impossible for Australia to pursue nuclear development in peacetime, it would only be possible to develop nuclear weapons should a conflict arise with another nation. This would take at least five years, exceeding the 14.3-month time requirement. Nuclear development therefore becomes meaningless and it is more desirable to use the weapon of trade to supplement security."

There is also little possibility for a nation such as Australia with expansive territory and a small population to attack another country. The only issue then becomes invasion by an outside power. Possibilities are slim that in such a case Australia would use nuclear weapons in Australia. Australia, therefore, decided to forget nuclear development since it was meaningless.

#### **Kim Appoints, Meets With 30 Unification Advisers**

*SK0306071593 Seoul YONHAP in English 0647 GMT 3 Jun 93*

[Text] Seoul, June 3 (YONHAP)—President Kim Yong-sam called Thursday [3 Jun] for South and North Korea to establish a commonwealth during his tenure in order to realize unification this century. "Therefore, it is urgent for the North to return to the Nuclear Non-Proliferation Treaty and accept nuclear inspections by the International Atomic Energy Agency (IAEA) and inter-Korean mutual inspections so that it can be cleared of suspicions," Kim said.



He issued the call while appointing 30 presidential unification advisers, including Min Kwan-sik, a former education minister. "I have also instructed the cabinet to cope with the nuclear issue from a broader viewpoint regardless of the format of contacts with North Korea in light of the urgency and gravity of the issue," he told his new advisers.

Building a new Korea was tantamount to building a unified, advanced and democratic country, Kim said. "Unification will inevitably provide a crucial moment for the nation to rise again, therefore it is a historical task of importance that should be realized within this century," he said.

### **Seoul Seeks To Help North End 'Isolation'**

SK0106043993 Seoul THE KOREA TIMES in English  
1 Jun 93 p 2

[Text] Foreign Minister Han Sung-chu said yesterday that his government will seek an inter-Korean breakthrough by helping North Korea to end its isolation and participate in the global order. "Northern countries have begun to embark upon policies to open their doors to the outside world with a view to joining in the wave of growth and prosperity transpiring in the entire Asia-Pacific region," Han said, adding that North Korea is the only exception.

Noting that openness and internationalization are the two main trends of the future, Han said, "We should seek a solution to the inter-Korean question by exploring specific avenues befitting these trends." It is high time to "take full advantage of the new environment while it lasts and to pave the way for reunification by encouraging Pyongyang to set out on the road to change and openness," he stressed.

He made the remark in a lecture on "fundamentals of Korea's new diplomacy" at a luncheon hosted by the Korean Council on Foreign Relations at the Korea Chamber of Commerce and Industry in downtown Seoul. Han articulated five fundamentals for Korea's new diplomacy: globalism; diversification; multi-dimensionalism; regional cooperation; and future orientation, elaborating on President Kim Yong-sam's "new diplomacy" speech delivered at the general assembly of the Pacific Basin Economic Cooperation last week.

The scholar-turned Foreign Minister split future-oriented diplomacy into the management of national division, the achievement of reunification and the preparation for the post-unification era. Such diplomacy would involve transforming the current hostility and rivalry into cooperative coexistence, securing full support from the four surrounding superpowers and articulating key principles and maintaining consistency in the country's foreign policy, Han said.

Touching on regional cooperation, Han emphasized security dialogue, envisaging the creation of a mini-CSCE (Conference on Security and Cooperation in

Europe) for Northeast Asia. CSCE and NATO have enhanced the sense of security and mutual trust among neighboring countries, he added. "In the same manner, the participation of Japan, China and other regional powers in APEC, the ASEAN-PMC [expansion unknown for PMC] and other bodies could bring about similar results," he explained.

He also called for the formation of a region-wide economic framework encompassing the entire Asia-Pacific region, citing Asia Pacific Economic Cooperation (APEC). In this connection, he expressed the hope that a summit meeting would be held to develop APEC into a comprehensive cooperative framework, spanning the more dynamic Asia-Pacific region.

Characterizing international relations on the eve of the 21st century as involving an increasing interdependence among states and the parallel globalization of issues, Han said, "Korea's diplomacy needs to pay more attention to such universal values as democracy, freedom, welfare and human rights. These values should become an integral part of our moral value system.

"In this context, we will take an active part in international efforts to tackle global issues such as international peace and security, disarmament and arms control, poverty, environment, and conservation of natural resources."

He stressed that Korea had to diversify its diplomatic focus. "Korea should further develop its relations with West and Southeast Asia, the European Community, the Middle East, Africa and Latin America, not to mention the four powers," he said.

He also said that the issues in diplomacy should be diversified from security dominant concerns to such areas as economic, environmental and cultural issues. In particular, he said, "One cannot overemphasize the importance of a healthy and strong economy as the main driving force behind national security and unification." "Diplomacy should not be the exclusive domain of the government alone. It also be supported by people-to-people diplomacy undertaken by both individuals and private organizations," he explained.

### **Seoul To Create Fund for Industry Ties With U.S.**

SK0306093493 Seoul YONHAP in English 0130 GMT  
3 Jun 93

[Text] Seoul, June 3 (YONHAP)—The government has decided to create a 10 million-U.S.-dollar fund over the next five years to boost industrial cooperation between South Korea and the United States, the Trade, Industry and Resources Ministry said on Thursday. The Korea Foreign Trade Association, the Federation of Korean Industries and other economic organizations will make annual donations to the fund, which will be called the Korea-U.S. Industrial Cooperation Fund.



The fund will support feasibility studies of cooperation projects in advanced airplane, machine tool, semiconductor, environment facility, computer, communications and medical appliance technologies. Money will also be allocated from the industrial development fund, the small- and medium-sized companies structural adjustment fund and the industrial base technology fund to put U.S. technologies into commercial use in Korea and jointly develop new technologies.

### **Seoul, Russia Agree on Technology Cooperation**

*SK0306100993 Seoul YONHAP in English 0719 GMT  
3 Jun 93*

[Text] Seoul, June 3 (YONHAP)—South Korea and Russia agreed on a wide range of bilateral cooperative measures, including the establishment of three or four research institutes in Russia and the transfer of 20 Russian technologies to Korea, in the third Korea-Russia science and technology ministers meeting Thursday. Korean Science and Technology Minister Kim Si-chung and his Russian counterpart, Boris Saltykov, agreed on the transfer of 20 sophisticated technologies to Korea for commercialization, increasing the number of projects for commercialization to 79.

In addition, it was agreed that research institutes would be opened in three or four main research and development centers in Russia in the first half next year in an effort to accelerate the transfer of advanced technologies to Korea. Korea plans to send specialists from industrial, academic and research circles to Russia in the second half of the year to conduct a feasibility study.

Korea has decided to invite 200 Russians to work with domestic industrial firms, research institutes and universities. It will invite 250 next year. The two sides agreed to render every government-level assistance for Korean companies to participate in the projects for converting the Russian military equipment manufacturers to civilian industry.

### **PRC Minister's Visit Clarifies Position on DPRK**

*SK2905033593 Seoul THE KOREA HERALD in  
English 29 May 93 p 2*

[By staff correspondent Kim Hye-won]

[Text] Chinese Foreign Minister Qian Qichen will leave Seoul today, winding up his four-day stay here. His visit is symbolic as the first official visit here by a Chinese foreign minister since the normalization of relations between the two countries less than a year ago. But the timing of his Seoul visit at this time has added much more significance to the trip.

While meeting President Kim Young-sam and Foreign Minister Han Sung-chu Wednesday and Thursday, he made clear Beijing's position on the current crisis caused by Pyongyang's abrupt decision to pull out of an international treaty on nuclear nonproliferation. He pledged

Beijing's full participation in efforts to reverse the North Korean decision before it takes effect June 12.

Qian also openly voiced supports for the strategy that Seoul and Washington have adopted to resolve the issue. By announcing these positions, Qian also clearly told North Koreans that China will not use its veto power to stop the UN Security Council from leveling sanctions against North Korea if it does not take actions to remain in the Nuclear Nonproliferation Treaty (NPT) before the June 12 deadline. This strong message toward North Korea does not seem spontaneous but rather appeared carefully designed by the Chinese leadership.

Minister Qian was originally scheduled to visit Seoul in early June for the first round of regular talks with his South Korean counterpart. However, when he met with the South Korean foreign minister, Han, in Bangkok in April while attending a session of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) he proposed that he would come to Seoul in late May.

Qian, moreover, chose to visit Seoul before his trip to Tokyo. These Chinese actions indicate a "sense of urgency" among Beijing officials about the North Korean nuclear problem. China, as the only ally with which North Korea shares a border, does not want a situation where an additional UN Security Council resolution is necessary.

South Korea and Western countries, especially the United States, however, are firm. They demand North Korea, first of all, return to the NPT by June 12. If North Korea should pass the date without returning, it will be relieved from obligations as a signatory of the NPT and subsequently, the obligations it promised to abide by in a nuclear safeguards accord with the International Atomic Energy Agency (IAEA). In that case, there will practically be no way to check the North Korean nuclear weapons program.

The United States and South Korea, still depending on the so-called "carrot-and-stick" policy toward the Communist regime, want China to play a mediative role. They want Beijing, most of all, to make Pyongyang understand the "merits" it may receive after returning to the NPT. They also want Pyongyang to fully understand the "punishment" it may face if it continues to resist. These countries seem to believe China is in the best position to reform the North.

The United States appears to have "carrots" to offer China in reward for its role. U.S. President Bill Clinton in Washington Thursday announced a decision to extend the most-favored-nation treatment for China. The United States is also planning vice minister-level talks with North Korea June 2 with the largely similar objective of telling what "carrots" are available for them.

The Communist regime will be relieved, to an extent, from the current international pressures if it returns to the NPT before June 12. A series of North Korean



behaviors during the past month, strongly indicates that Pyongyang might have already decided to do so.

But as long as North Korea remains in the NPT, it is still required to implement the safeguards agreement with the IAEA. It, most of all, should receive inspections on the two suspected facilities in Yongbyon, to which it refused access by the IAEA inspectors last year.

The IAEA is reportedly holding negotiations with North Korea on the problem. In a reconciliatory gesture, the Vienna-based agency and other member countries are seriously considering canceling the demand for special inspections if North Korea, in any form, allows access to the two facilities, suspected of being used for nuclear waste storage.

"Special" inspections are requested by the IAEA on unreported facilities. "Regular" and "ad-hoc" inspections, on the other hand, are for reported facilities. But this process of clearing suspicions on the two Yongbyon facilities, which North Korea claims are simple military ones, will surely take another long period in view of the pattern of past North Korean behavior.

It has delayed every step, however minor it might be, to clear its nuclear program. It took over six years for North Korea to sign a nuclear safeguards accord with the IAEA, an obligation that every NPT signatory should implement within 18 months after signing of the treaty.

Pyongyang took steps to make the agreement effective in April, 1992, three months after the signing. It allowed six ad-hoc inspections last year but it has not concluded subsidiary arrangements though it was required to do so by June. There is a high possibility that the Communist regime will continue to use such tactics whether this attempt is aimed at earning time to finish its nuclear weapons program or at simply delaying the use of the nuclear card vis-a-vis the United States and South Korea.

**Agreement on Investment Signed With Peru 3 Jun**  
*SK0306095493 Seoul YONHAP in English 0554 GMT 3 Jun 93*

[Text] Seoul, June 3 (YONHAP)—South Korean Foreign Minister Han Sung-chu and Peruvian Foreign Minister Oscar de la Puente Raygada signed Thursday [3 June] an agreement for the promotion and reciprocal protection of investment between the two countries. Raygada is accompanying President Alberto Fujimori.

The agreement says that both countries will make favorable conditions for the other country's investment and permit investment according to the laws. Both countries will give the status of its nationals to the other country's investors and give treatment of most-favored nations in the investors' business activities.

Both countries will give efficient and prompt compensation when a government expropriates or nationalizes the other country's investment for common purposes

according to legal procedures. Both countries will allow investors from the other side to remit profits in convertible currency to their own country. With signing the agreement, economic cooperation between the two countries is expected to increase, Foreign Ministry officials said.

**Seoul To Consider Giving Economic Aid**

*SK0306102093 Seoul YONHAP in English 0901 GMT 3 Jun 93*

[Text] Seoul, June 3 (YONHAP)—South Korea promised Peru Thursday [3 June] to positively consider financial support in expanding its airport facilities and establishing an industrial complex for Korean businesses. Peruvian Foreign Minister Oscar de la Puente Raygada, accompanying his President Alberto Fujimori on a three-day state visit, met with his South Korean counterpart Han Sung-chu and requested support for the two projects, officials said.

Han replied that Seoul will give it consideration after Peru submits detailed plans, officials said. Seoul may be able to extend about 20 million U.S. dollars for the airport expansion with its Economic Development and Cooperation Fund (EDCF), according to the officials. The foreign ministers' meeting ended with the signing of bilateral pacts on investment guarantee and fisheries cooperation.

**President Kim Marks First 100 Days in Office**

*SK0306032193 Seoul KBS-1 Television Network in Korean 0000 GMT 3 Jun 93*

[Opening statement by President Kim Yong-sam at news conference held to commemorate his 100 days in office at the Chongwadae presidential office—live]

[Text] Now, let us start the news conference. Dear people and journalists:

Tomorrow will mark my 100th day in the office of president. During the past 100 days, I have dedicated everything within my power to performing my duties as president.

Upon inauguration, I opened up roads in front of Chongwadae and Mt. Inwang to the public. The crowds on these roads attest to the liquidation of an era of military culture and the fresh start for the blossoming of a democratic culture in this land. The wall between the president and the people has crumbled. Chongwadae has become the people's intimate neighbor. The exclusive facilities of Chongwadae were returned to the people, the true sovereigns. These measures were taken because I believe that the president reigns not over the people but serves the people. This is the president's real image in an era of civilian government.

I also had the safe houses, a hotbed for political maneuvering and behind-the-scenes politics, removed, and had public parks built in their place. I took these actions



because I judged that the politics of civilian government should be transparent and scrupulous.

Chongwadae became a work place where we work around the clock for the state's security and prosperity. I firmly believe that this reform should start from the top, that is, with innovations in the presidency. When the president undertakes the burden first, my appeal to the people for sharing the burden will be more convincing.

I reduced Chongwadae's budget and had our meals simplified. I declared that during my tenure as president, I would not accept even a penny under any pretext or as a political contribution. I am strictly abiding by this commitment. This commitment will remain unchanged. I disclosed my assets to the people first. In this way, I am leading the way for the upper social strata to take initiative. I believe that moral introspection on behaviors of public officials from top down has been brought about. Society's morals have been elevated to a higher level. A whopping change is taking place in their lives and thinking.

I put an end to the era of wasting national power in confrontation and conflict by taking unprecedented measures for pardon and reinstatement. Reflecting upon our political history distorted by power, I hope to correct it and our values.

We are embarking on the new economy designed to change the old concept of an economy characterized by regulations and protection into a new concept of an economy governed by participation and creativeness. We are in the middle of change and reform. We are entering into a period of hope from a period of frustration. We now have the confidence and hope to achieve reform. This is really a valuable success.

Our people are truly great. An overwhelming majority of the people support reform.

They are also volunteering to share the pain. A total of 51.6 percent of the people say they would not hesitate to pay much higher taxes if it served to eradicate irregularities and corruption. I am deeply moved by such support from the people. It is indeed a source of pride to have such great people. Fellow countrymen: I sincerely thank you for this.

Dear fellow countrymen: We have embarked on eradicating irregularities and corruption from all areas of our society. The irregularities and corruption that have continued for some 30 years have been a chronic disease in our society. They have become an invisible system and our habitual practice. We cannot build a new Korea without eradicating irregularities and corruption. We should build a more just society by eradicating past absurdities and irregularities. The pain of scraping out decayed flesh will follow. Those unable to endure minor pain have already begun calling for the suspension of the process of scraping out decayed flesh. My heart feels more pain than anyone else's. However, as president, I am telling fellow countrymen clearly that our reform will

not be suspended. Our reform will continue until it takes root in our consciousness and living.

I will mobilize my energy as well as all the strength of the people to build without fail a society in which people cannot lead their lives through illegal and unjust means.

Fellow countrymen: Reform is being carried out in many areas. The public officials' ethics law, which was revised at the recent extraordinary National Assembly session, can be regarded as the beginning of reform in our political circles. I consider reviving the economy to be the top priority in carrying out my policies. We should again ignite our energy to bring about economic development. I have immersed myself in finding ways to revive our economy.

The new government is pushing ahead with a new economy in which all the people participate not only through institutional reform but also through consciousness reform. Our new government is now changing our economy into a powerful one that can compete with advanced countries. This changed economy cannot be achieved overnight. It requires time and patience. Our workers and public officials are sharing the burden to revive our economy, and this gives us the firm confidence that we can do anything.

Now is the time for businessmen to come to the fore. I want businessmen in this country to build a clean new business culture and to become the main force in building a new Korea through their active investment. The government will map out and announce a new five-year economic plan within this month. A new society can be built only by new men.

Our educational system is suffering the pain of being born again with the elimination of past wrongdoings and irregularities. Based on morality, our diplomacy is proudly moving forward internationally to demonstrate universal values, such as humanization, democratization, and welfare, which we are pursuing from the bottom of our hearts.

National reunification is an important task of our 70 million fellow countrymen. We should, however, reject both the sentimental reunification-for-reunification's sake principle and the antireunification principle. We hope reunification can be peacefully realized on a gradual basis.

I have already put forward three phases of reunification: a reconciliation and cooperation process; a North-South federation process; and a one-nation, one-state process. We must establish a reunified fatherland in which all members of the nation can equally enjoy the advantage of national prosperity while living together in coexistence and coprosperity.

I want to take this opportunity to make clear that we have no intention of absorbing North Korea nor do we find it necessary to do so. The North Korean nuclear issue affects not just the Korean peninsula and Northeast



Asia. It has now become a global issue. I want to make clear that we cannot shake hands with any partner who has nuclear weapons. We are going to resolve this issue through our sincere cooperation with international communities and through sincere dialogue between North and South Korean authorities.

Dialogue between North and South authorities will start again. When the North Korean nuclear issue is resolved, we and the international community will actively try to help North Korea. Coexistence and coprosperity can then be practically carried out.

We cannot be happy while 20 million fellow countrymen in North Korea suffer unhappiness. I once again make clear that we can be happy only when our fellow countrymen in North Korea enjoy prosperity.

Dear fellow countrymen: Reform from above led by the president can succeed only when our people support it. It cannot be realized with the mere support of our people. It can only be carried out when our people voluntarily and creatively participate. I do not expect government-operated national movements to be run as they were in the past. I only hope the reform movement can be carried out with the people's spontaneous participation.

We can say that great reform has been realized only when the president's reform policy, the reform of our people's consciousness, and the reform of the legal system are carried out together.

I would like to make several suggestions to you: First, let us carry out the reform of consciousness. We should abandon the concept that we are worthy only if we become rich, even through illegal means. We should bravely free ourselves from old habits that ignore morality in our efforts to achieve our goals. We should move in the direction of living together and abandoning our selfish concepts of pursuing only our own happiness.

It is necessary for us to have the courage to sacrifice oneself for the common good.

Second, we should have confidence and hope. That is, we should have the faith that our reform will be successful without fail. We can truly say that having confidence is success half achieved. Today's reform through burden sharing will bring about material wealth, positive results, and happiness to all of us in the future.

Third, each person should be the driving force of reform so that we can practice it together. Every one of our 40 million people should move forward as the driving force of reform.

The people's movement which we are hoping to achieve is for the people to achieve self-innovation and self-purification in their environment. One and one's neighbors should bring about change in small tasks within their immediate vicinity. Refraining from mindlessly throwing trash or driving around without a destination,

and abiding by public order are all part of participating in the process of reform. This is true reform which we are carrying out together.

Fellow countrymen: Ever since the presidential elections, I pledged to be a strong president of a powerful government. This does not mean that I will be powerful to you, the people. It means that I will take strong measures against acts of injustice and immorality against you, the people, and on violent crimes and collective egoism.

If my freedom is important, someone else's freedom is important as well. The state's discipline and order should be firmly established. As the president, I will work so that this country's law will be respected as the law. I want to make clear that a new Korea is a true constitutional state in which the state and society are ruled by the constitution and law.

Dear fellow countrymen: In the past 100 days, we have begun to move vigorously toward a new Korea. This new Korea which we are trying to construct is an advanced country of justice, high morality and material wealth. It is a peacefully reunified fatherland in which the 70 million people are one. Moreover, it is a just country which stands amongst the foremost nations of the world not only economic might but also in democracy and morality. It is a society founded upon a devotion to the welfare of mankind and the unfurling of a national culture of humanism.

Let's advance together under the determination to rebuild the nation, a new Korea. Currently, we face a favorable opportunity for reform, which is the first and may be the last in modern history. History does not present many such opportunities. If we lose this opportunity, history will turn away from us.

I seek no personal gain. Therefore, I will work justly and fairly. I am solely motivated by the determination to revive the country. I will concentrate all my efforts to working for the state and nation. Fellow countrymen, you should also be determined to live in this era proudly. I will work all the more enthusiastically to serve the people's determination to willingly share all burdens.

Fellow countrymen, thank you very much.

#### News Conference in 'Civilian' Style

SK0306094393 Seoul YONHAP in English 0527 GMT  
3 Jun 93

[Text] Seoul, June 3 (YONHAP)—President Kim Yong-sam's first news conference since taking office 99 days ago was poles apart from any past presidential news conference in many aspects Thursday [3 June], as it befits the style of Korea's first civilian government in more than three decades. Kim did not allow even a bit of the military or authoritarian attitudes of his predecessors to show, holding the news conference in a much more open and freer manner than they ever did.



Unlike the fully scripted news conferences held by the generals who ruled before him, Kim did not even consult with the reporters beforehand. In the past, questioners were chosen and given an order in which to ask their questions, the answers for which had already been prepared. Kim, however, picked from raised hands and then answered the questions off the top of his head.

In the course of preparing the president for the conference, a senior secretary made a list of expected questions and suggested answers. Kim told him, "I don't need the answers, but leave the questions with me."

Kim started with a 20-minute statement summing up his first 100 days in office and then opened the floor to questions. He answered them all, displaying the knowledge and information obtained during his 100 days in Chongwadae and the policy direction he has set during that period.

Another feature of Kim's press conference that made it the cheese to the chalk [as received] of its forebears was the presence of 79 foreign correspondents, including the U.S. and Japanese media. Chongwadae supplied three simultaneous interpreters for them.

In January 1992, President No Tae-u invited 10 foreign correspondents to his New Year press conference but did not allow them to ask questions. No cabinet members attended, still another difference to the authoritarian style of past presidential press conferences that always had a full turnout of ministers.

Kim had planned a 40-minute event, including his introductory remarks, but it lasted 73 minutes because of the many questions. He concluded by saying, "Because so many of you raise your hands, this conference would not close even tomorrow if I didn't stop answering you now."

#### **Kim: Government To Serve People, Businessmen**

*SK2905054493 Seoul YONHAP in English 0428 GMT 29 May 93*

[Text] Seoul, May 29 (YONHAP)—President Kim Yong-sam told top business leaders Saturday that his government would serve the people, support businessmen and save the economy. In a lunch meeting with Korean-side Chairman Ku Pyong-hoe and 11 members of the Korea-U.S. Business Council, who will attend the sixth general conference of the council on June 13-15, Kim said again he would not take a penny from the business community during his five-year term in office.

He asked them to use the money to upgrade their technology and for welfare, and urged them to faithfully attend to their business. "Our firms tend to put more gravity on the new markets in China and Southeast Asia and neglect the U.S. market," Kim said.

He called the North American country Korea's most important partner, not only in politics and security, but also in trade, investment and technology. "Although

bilateral trade figures have recently begun to be balanced and there are no great trade frictions between the two countries, we must remember that the international economic order of today is very unclear and that Washington hasn't yet found a direction in its external trade policy," Kim warned.

He advised full preparation in case U.S.-Japan trade friction causes a trade war that affects Korea as well. Among the lunch guests were Hyundai Group Chairman Chong Se-yong, Kyongbang Ltd. Chairman Kim Kak-chung, Hyosong Group Chairman Cho Suk-nae, Pohang Iron and Steel Co. Chairman Chong Myong-sik, Daewoo Corp. Vice Chairman Yi Kyong-hun, and Ssangyong Group Vice Chairman Kim Sok-chun.

#### **President Kim Meets With Business Leaders**

*SK3105032593 Seoul YONHAP in English 0306 GMT 31 May 93*

[Text] Seoul, May 31 (YONHAP)—The days of hesitance are over and Korea's major businesses are ready for some serious investment. By inviting Hyundai Group Chairman Chong Se-yong and 11 other leading industrialists over for lunch on Saturday to bid them good luck at a Korea-U.S. Business Council meeting in Washington next month, President Kim Yong-sam offered an occasion to ease some of the discomfort between him and the business community.

Talk of cool relations between the government and the business community has been spreading, with Kim giving the impression that he was excluding conglomerates by declaring his determination not to get any political funds from them. Hyundai, Samsung, Lucky-Goldstar, and Daewoo were busy reading Kim's mind and set aside their investment plans for brighter days.

Kim's urging on Saturday of active investment in facilities was the kind of boost that the business community was waiting for. Chong told Hyundai executives Monday to bring forward execution of this year's investments, worth 2.5 trillion won (3.1 billion U.S. dollars).

Noting that Hyundai made just 19.6 percent of its scheduled investments in the first quarter, he said that he had decided to spend 1.1 trillion won, or 44 percent, by the end of June. Chong will accelerate the investment of 820 billion won in developing Hyundai Motor Co.'s engine factory and new cars and investment in producing 16 Mega Dram (Dynamic Random Access Memory) chips at a cost of 720 billion won.

Aiming to spend 2.7 trillion won this year on facility investment, the Samsung group says it will expand computer chip assembly lines and build a truck plant at an early date. Lucky-Goldstar says it is determined to build a medium-quality oil dissolving facility at the Honam oil refinery and get active on making improvements on its electronics line.



Daewoo, which broke ground for a car production line in Kunsan last month, will execute facility investment of 1.13 trillion won by the end of June and expand investment plans in the second half. Sunkyong and Pohang Iron and Steel Co. have similar plans in mind now that the business community is generally in an investment spirit. To boost this spirit, experts are calling for stable industrial relations and more details of government economic policies.

#### **President Stresses Importance of Constitution**

SK0106030593 Seoul YONHAP in English 0245 GMT  
1 Jun 93

[Text] Seoul, June 1 (YONHAP)—President Kim Yong-sam on Tuesday defined "A New Korea" as a true constitutional country in which the constitution and law govern the state and society. "The constitution must be a living norm in our society of justice, conscience, and common sense," Kim told a ribbon-cutting ceremony for the Constitutional Court in downtown Seoul. "We must first of all root out all corruption and make a clean society," he said, showing his determination to recover ethics and honesty and enforce state discipline by correcting social order.

Kim pointed out that the constitutional amendments in the past were used by heads of state to extend their power. "There were days when the constitution that should have protected the people was abused as a means for dictatorship, but our people created a new era of 'civilian democracy' in this country with their persistent passion for democratization," he said. Giving another definition of a new Korea as a human-centered society where human dignity is most valued, Kim instructed the Constitutional Court to lead in creating a new history.

#### **DLP Representative Under Arrest Leaves Party**

SK0306102193 Seoul YONHAP in English 0926 GMT  
3 Jun 93

[Text] Seoul, June 3 (YONHAP)—Rep. Kim Chong-in of the ruling Democratic Liberal Party (DLP), who is now under arrest on graft charges, bolted from the DLP on Thursday. A party official said Kim handed his written resignation to a DLP functionary who called on him at the Seoul prison to discuss his situation.

Rep. Kim, however, refused to comply with the party suggestion that he give up the floor seat as well. Upon his bolting, the party called off a Disciplinary Committee meeting originally set to be held later in the day to discuss his possible expulsion from the party.

#### **DP's Yi Ki-taek To Visit Europe 16-28 Jun**

SK0306032893 Seoul YONHAP in English 0116 GMT  
3 Jun 93

[Text] Seoul, June 3 (YONHAP)—Yi Ki-taek, leader of the main opposition Democratic Party (DP), will visit Germany, Britain, Italy and France from June 16-28,

party spokesman Pak Chi-won said Thursday. He will meet with political leaders and exchange a wide range of opinions on matters of mutual interest, Pak said.

Yi will exchange views on problems following unification in his meetings with German political leaders, and focus on the war on crime and corruption in Italy. He is to visit former party leader Kim Tae-chung in Britain, where Kim has been studying at Cambridge University.

#### **Ministry To Deport Illegal Aliens in Four Stages**

SK0306093593 Seoul YONHAP in English 0132 GMT  
3 Jun 93

[Text] Seoul, June 3 (YONHAP)—The Justice Ministry will deport around 20,000 illegal aliens employed by manufacturing companies in four stages by Dec. 15, a ministry spokesman said Thursday [3 June]. After consultations with concerned ministries, it was decided to expel them gradually because a mass exodus of illegal aliens would deepen the labor shortage at small- and medium-sized firms, he said. The first 20 percent will be deported in September, another 20 percent in October, 30 percent in November and the rest in December.

#### **Organization Says Seoul 'Oppressing' Students**

SK0206113293 Seoul YONHAP in English 0937 GMT  
2 Jun 93

[Text] Seoul, June 2 (YONHAP)—The National League of College Student Organizations (Hanchongnyon) claimed on Wednesday [2 June] that the government is unduly oppressing student movements. In a statement, Hanchongnyon said the government has been persecuting student movements in a bid "to suppress the public opinion advocating the punishment of those responsible for the Kwangju incident and also to blockade private-level unification drives."

The government on Tuesday warned that it would mete out stern actions against any one involved in illegal contact with North Korea or in violent demonstrations. The warning came after Hanchongnyon made illegal telephone conversation with North Korean student leaders and staged violent demonstrations in downtown Seoul on last Saturday [29 May].

"We apologize to citizens for the concern caused over our downtown demonstrations on last Saturday," the statement said. It said that student demonstrations will in the future be peaceful. "But, we will strongly fight it if the government tries to oppress us," the statement said. Hanchongnyon said it would continue to promote a preliminary meeting with North Korean student leaders at Panmunjom on June 12 to discuss the issue of concluding sisterhood ties between students of the two sides.



### Ministry Appoints Navy, Air Force Officers

SK0306120293 Seoul YONHAP in English 1113 GMT  
3 Jun 93

[Text] Seoul, June 3 (YONHAP)—The Defense Ministry on Thursday [3 June] appointed rear Admiral Kang Tok-tong, chief of Overseas Intelligence Department of the Defense Ministry's Intelligence Headquarters, to serve as second vice chairman of the Joint Chiefs of Staff. He was promoted to vice admiral.

Rear Admiral An Pyong-tae, deputy chief of naval staff for operations, was promoted to vice admiral and given the new duty as commander of the Naval Operations Command. Rear Admiral Yim Tae-sop, deputy chief of naval staff for personnel, was appointed as vice chief of naval operations; and Rear Adm. Yu Sam-nam, deputy chief of naval staff for intelligence, was named as superintendent of the Naval Academy.

The ministry also promoted Air Force Maj. Gen. Choe Tong-hwan, commander of the Air Force Logistics Command, to lt. general and named him as vice Air Force chief of staff. Maj. Gen. Pae Yang-il, deputy Air Force chief of staff for personnel, was named as the superintendent of the Air Force Academy. He was also promoted to lt. general. Outgoing Naval Academy Superintendent Kan Yong-tae, three other vice admirals and Air Force Lt. Gen. Kang Min-su, superintendent of the Air Force Academy, were placed on the reserve status.

The three retiring vice admirals were Kim Song-tok, second vice chairman of the Joint Chiefs of Staff; Kim Son-ik, commander of the Naval Operations Command; and Kim Man-chong, vice chief of naval operations. Meanwhile, three rear admirals—Min Pyong-sop, commander of the Naval Logistics Command; Ho Tae-pom, commander of the Educational Command; and Hwang Wan-ki, deputy chief of naval staff for planning and management—are set to retire toward the end of this year. With their planned retirement, all those naval officers who are new Chief of Naval Operations Kim Hong-yol's senior naval-academy classes or those of his classmates who have outpaced him in terms of promotion have retired or will retire. [sentence as received]

### Board Requests Steps Against Military Officials

SK0106103493 Seoul YONHAP in English 0938 GMT  
1 Jun 93

[Text] Seoul, June 1 (YONHAP)—The Board of Audit and Inspection (BAI) on Tuesday [1 June] asked the National Defense Ministry to take disciplinary steps against an Army brigadier general and 13 field-grade officers and Defense Ministry civilians for violating regulations in procurement programs. The board said Brig. Gen. Pon Ung-sik of the Defense Logistics Headquarters, awarded a large facilities contract to a contractor in 1991 through negotiations instead of through competitive bidding as required by regulations.

The board also found in its recent general inspection of the Defense Ministry that the ministry has been operating 35 divisions in eight bureaus in excess of the ministry's authorized organization. The board said the ministry unlawfully keeps on the active status 62 general-grade officers and 1,183 field-grade officers in excess of the table of organization by grade.

The board asked the ministry to take fundamental measures to rectify the situation. The 13 field-grade and ministry civilians violated pertinent regulations in managing the sale of government properties or in payment over various contracts, the board said.

### Ministry Announces Five-Year Financial Reform

SK2905055993 Seoul THE KOREA TIMES in English  
29 May 93 pp 1, 16, 17

[By staff correspondent Yi Chang-sop]

[Text] The Ministry of Finance [MOF] yesterday announced an extensive five-year financial reform plan, which will reduce policy loans, privatize state-run banks and bar industrial conglomerates from abusing financial institutions as private safes. The 81-page reform plan, which accents lifting internal restrictions before market-opening, specified concrete timetables for implementing each plan to help the financial market prepare for changes.

The plan calls for the full liberalization of all interest rates, except for those on demand deposits, by 1996, and the government will consider the introduction of the deposit insurance system in 1997 to protect depositors from the possible collapse of banks. In announcing the plan, Foreign Minister Hong Chae-hyong said, "By 1997, Korea will have firmly established a basic framework for modernizing the financial market to the level of counterparts in the Western countries."

"Although we will not have the free-wheeling financial systems prevailing in Western well-to-do countries, we will at least establish a framework for a modern financial system by 1997," he said. He added "I think our plan is quite reform-oriented. But critics may not agree, it may not be as fast as they expected. But we tried our best to sharpen the international competitive edge of the Korean financial system."

The MOF program will be packaged into the nation's Five-Year New Economy Plan, to be implemented from July 1. From next year, Korea will consider creation of financial conglomerates that exclude participation by industrial giants such as Samsung and Hyundai. Korea Long-term Credit Bank, Sinhan Bank, Korea Development Bank and five major Seoul-based commercial banks are said to be strong candidates, analysts said.

Korea will introduce the financial futures market sometime between 1996 and 1997. From 1996, Korea will implement a full-fledged indirect monetary policy. Under the plan, the foreign stock ownership ceiling, now



set at 10 percent, will be expanded between 1994 and 1995 and the opening of the 110 billion bond market will possibly come between 1996 and 1997, it said.

The introduction of foreign commercial loans may be permitted from 1996, according to the MOF. The MOF said next year Korea will establish a fourth supervisory organization that will oversee leasing, short-term finance, mutual savings and finance companies and other ancillary financial services firms.

The plan calls for freezing preferential policy loans at this year's level and simplifying, not abolishing, the current credit allocation system over the next five years. From this year, banks will be permitted to deal in a limited range of securities business but they will lose their monopoly on foreign exchange services, competing with securities companies, merchant banks, and leasing and short-term finance companies from 1994.

Securities houses will be able to sell investment trust products sometime between 1996 and 1997 and investment trust companies will stop retailing their products and instead specialize in fund management, the MOF said. A mechanism will be established from this year to prevent industrial conglomerates from abusing financial institutions they control as "private safes."

Although major conglomerates will not be told to trim their controlling shares in nonbank financial institutions, they will be barred from borrowing funds from and dispatching personnel to the financial institutions they control, the MOF said. If the program fails to prevent industrial conglomerates from abusing financial institutions, the government will consider introducing a plan to order them to reduce their share holdings in them, according to the plan.

The current barrier between commercial and long-term banking market will be kept intact. Instead, one private long-term bank will be created in 1996 or 1997 to end the monopoly of the Korea Long-term Credit Bank, it said.

Although a key hindrance to financial reform is the elimination of 10 trillion won in nonperforming loans at banks, the MOF could not come up with any magic solution to the knotty issue. It said it will simplify procedures for writing off uncollectible loans at banks and it even claimed that the nonperforming loan amount is less than 2.5 trillion won.

It failed to mention however, when to fully introduce the free floating system for the won-dollar exchange rates although it said the daily fluctuation band for won-dollar exchange rates will be widened to 1 percent this year. Despite the MOF's cautiousness in changing the current framework of the financial system, it was bold enough to deregulate internal management of financial institutions. It said from this year, it will gradually ease its tight restriction on asset and personnel management of financial institutions.

Well-managed financial institutions will enjoy privileges in getting capital increase, branching expansion, supervision and other licenses and vice versa, it said. Although it did not come out with a definite schedule, the plan revealed it will no longer increase the below-market rate policy loans, which have stifled the profit-oriented business of the commercial banks. It said it will use the credit control system for promoting the soundness of banks, not for controlling industrial conglomerates. But the MOF could not set a timetable for completely eliminating the controversial system.

Korea will maintain the strict separation of business boundaries between banks, securities and insurance business but these financial services firms can theoretically muscle into each other's business turf through subsidiaries. Banks will be the only deposit-taking institutions and thus securities houses and short-term finance firms will no longer handle deposit-taking through bond management accounts and cash management accounts from 1994.

In adjusting the business boundaries of financial institutions, the MOF sought barter trade among them not to ignite a turf war. In return for permitting banks to handle a limited scope of securities business, securities houses, leasing firms, merchant banks and short-term finance companies will be able to handle foreign exchange services.

Insurance houses will be able to expand their investment in bonds and equities. Business barriers between short-term finance and merchant banking will be torn down from 1996.

Securities houses will be able to retail investment trust products from 1996. Mutual savings and finance companies will be merged to become community banks from 1996.

The banking departments of the agriculture, fisheries and forestry cooperatives federations will ultimately be merged and become another commercial bank in 1996 or 1997, the MOF said. From 1994 through 1995, the Citizens National Bank will be privatized and commercial banks will be permitted to handle a limited range of housing finance long monopolized by the state-run Korea Housing Bank.

#### **Letters of Credit Exceed \$5 Billion in May**

*SK0206112893 Seoul YONHAP in English 0933 GMT  
2 Jun 93*

[Text] Seoul, June 2 (YONHAP)—The arrival of letters of credit [L/C] in May exceeded the 5 billion dollars level for the first time in history. The Ministry of Trade, Industry and Energy reported on Wednesday [2 June] that the May arrival of L/C's totaled 5,090 million dollars, heralding bright prospects of exports in the immediate future months.



The ministry also said that in May exports reached 6,770 million dollars, a rise of 6.8 percent over the corresponding month of last year. Imports in May totaled 6,943 million dollars, a rise of meager 0.2 percent over a year before.

Trade balance thus showed a deficit of 173 million dollars in May, a decline of 417 million dollars from the

same month of last year. By item, the shipment of industrial electronics, general machinery and precision machines increased by more than 30 percent over a year before thanks to the rising value of the Japanese yen currency. Shipment to the U.S. swelled more than 5 percent, to China more than 100 percent and Latin America 50 percent while exports to Japan, EC, ASEAN countries and Taiwan were sluggish, the ministry said.



## Burma

### Thai Interior Minister Makes Visit to Rangoon

*BK3105151593 Rangoon Radio Burma in Burmese  
1330 GMT 31 May 93*

[Text] At the invitation of the government of the Union of Myanmar [Burma], a Thai delegation led by Interior Minister Retired General Chawalit Yongchaiyut arrived at Yangon [Rangoon] airport by special aircraft at 0900 this morning.

The Thai minister and entourage were welcomed at Yangon airport by Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC]; Lt. Gen. Mya Thinn, minister of home affairs; Lt. Gen. Myo Nyunt, minister of religious affairs; U Ohn Gyaw, minister of foreign affairs; and responsible personnel.

The visiting Thai minister and party paid a courtesy call on Senior General Than Shwe, chairman of SLORC and commander in chief of the Defense Services, at the Protocol Chamber of the People's Assembly Building at 1000 this morning.

SLORC Chairman Sr. Gen. Than Shwe later hosted a luncheon in honor of the visiting Thai interior minister and his party.

The Thai interior minister and entourage visited the Shwedagon Pagoda at 1230 and presented donations.

Gen. Chawalit and his party next went to the office of the minister of forestry affairs on Kabaaye Pagoda Road and called on Forestry Affairs Minister Lt. Gen. Chit Swe and Livestock Breeding and Fisheries Minister Brigadier General Maung Maung.

Present at the meeting were directors general and managing directors of the Ministry of Forestry Affairs and the Ministry of Livestock Breeding and Fisheries.

Later, the visiting Thai minister and delegation went to Myanmar Gems Enterprise on Kabaaye Pagoda Road and were welcomed and shown around by U Hlaing Win, deputy minister of mines, and responsible personnel.

The Thai interior minister and entourage left Yangon airport by special aircraft at 1545 and were seen off by SLORC Secretary-1 Lt. Gen. Khin Nyunt, Home Affairs Minister Lt. Gen. Mya Thinn, Religious Affairs Minister Lt. Gen. Myo Nyunt, Health Minister Vice Admiral Than Nyunt, Transport Minister Lt. Gen. Thein Win, Foreign Affairs Minister U Ohn Gyaw, and responsible personnel.

It has been learned that some members of the Thai minister's entourage visited the Shwedagon Pagoda in the morning, had lunch at the People's Park Restaurant, and visited Bogyoke Aung San Market.

### Meets With SLORC Defense Minister

*BK3105145093 Rangoon Radio Burma in Burmese  
1330 GMT 31 May 93*

[Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and commander in chief of the Defense Services, received visiting Thai Interior Minister Retired General Chawalit Yongchaiyut and entourage at the Protocol Chamber of the People's Assembly Building at 1000 this morning.

Present at the meeting together with SLORC Chairman Sr. Gen. Than Shwe were Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, deputy prime ministers; Lt. Gen. Maung Aye, member of SLORC and deputy commander in chief of Defense Services; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; Lt. Gen. Sein Aung, minister of industry-1; Lt. Gen. Mya Thinn, minister of home affairs; U Ohn Gyaw, minister of foreign affairs; and U Phone Myint, Myanmar [Burmese] ambassador to Thailand.

The Thai interior minister was accompanied by Thai Ambassador Mr. Wirasak Futrakun. It has been learned that in the afternoon SLORC Chairman Sr. Gen. Than Shwe hosted a luncheon in honor of the Thai Interior Minister Retired General Chawalit Yongchaiyut at the Mingala Hall of the People's Assembly Building.

### Group Returns From Regional Development Meeting

*BK3105145893 Rangoon Radio Burma in Burmese  
1330 GMT 31 May 93*

[Text] A four-man Myanmar [Burmese] delegation led by Lieutenant Colonel Thein Han, director general of the Office of the Work Committee for Development of Border Regions and National Races of the Ministry of Development of Border Regions and National Races, which attended the Myanmar-China-Thailand-Lao quadripartite regional development meeting, returned to Yangon [Rangoon] from Bangkok on a Thai Airways flight this evening.

It has been learned that the delegation was welcomed at the airport by responsible personnel from the Ministry of Development of Border Regions and National Races, the Ministry of Foreign Affairs, and the Ministry for Hotels and Tourism.

## Brunei, Malaysia & Singapore

### Malaysia

### Foreign Minister on Bosnia, Cambodian Election

*BK0306110893 Kuala Lumpur BERNAMA in English  
0937 GMT 3 Jun 93*

[Text] Kuala Lumpur, June 3 (OANA—BERNAMA)—The United Nations now seems paralysed and not bothered to do something to protect besieged Muslims from



Serbian atrocities, Malaysian Foreign Minister Abdullah Ahmad Badawi said Thursday. As such, he said, it was incumbent upon the Organisation of Islamic Conference (OIC) to come to the aid of the Bosnians.

Abdullah told reporters this after talks with the Commonwealth secretary general, Chief Emeka Anyaoku, here. He said normally a situation such as the Bosnian conflict would be dealt with under the UN banner, but now that the world body was helpless, it was only proper that the OIC act on its own.

Abdullah was commenting on OIC Secretary General Hamid Algabid's call Wednesday that the UN allow OIC member-countries to send troops to Bosnia. Hamid had also asked the UN to hold an emergency meeting to lift the arms embargo against Bosnia.

Bosnian Muslims should have access to weapons to defend themselves from attacks by the Serbs, said Abdullah. On the Cambodian elections, Abdullah said all parties should accept the outcome of the polls as they were conducted in an orderly manner by an independent body under the auspices of the United Nations.

Any quarrels over the election results would only delay the formation of a new government in Cambodia, he said. Vote counting for the country's first multi-party polls in two decades is expected to end Friday, but the results are only expected to be announced in a week after the tendered ballots are counted.

A large section of Cambodians cast their ballots in the elections signalling their desire to elect their own government, he said. Abdullah hoped the United Nations Transitional Authority in Cambodia (UNTAC) would be firm in dealing with the matter.

Recent reports from Phnom Penh said the Cambodian People's Party (CPP) led by Hun Sen had alleged of election irregularities. From unofficial returns so far, the royalist opposition party, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] led by Prince Ranariddh Sihanouk appeared to have a slight lead over the CPP.

Abdullah said during their meeting Anyaoku briefed him that the Commonwealth heads of government meeting (CHOGM) in Cyprus in October would be shortened to make it more compact. This would also enable the heads of government to discuss other issues without the presence of their officials, Abdullah said.

The coming CHOGM will discuss the new international humanitarian order, he said. Anyaoku, who arrived here on Tuesday for a three-day visit, also briefed Abdullah on the latest developments in South Africa.

Abdullah said the developments there were positive and augured well for the holding of a general election in that country. He said if that materialised, economic sanctions against South Africa would be lifted and this would benefit Malaysian businessmen planning to invest there.

### **Mahathir Views UNDP Report, Cambodia Polls**

*BK0306111093 Kuala Lumpur BERNAMA in English  
0805 GMT 3 Jun 93*

[Text] Kuala Lumpur, June 3 (OANA—BERNAMA)—Prime Minister Dr. Mahathir Mohamed said Thursday a United Nations Development Programme (UNDP) report which ranked Malaysia below Israel in human development was biased and could not be taken seriously. It reflected that the people who compiled the human development report had no idea what they were talking about, he said. This was obvious since Israel where killings occurred everyday was given a higher ranking, while Malaysia, which was trying to create a more stable country, was ranked lower, he added.

He was speaking to reporters after opening the two-day conference on Islam and justice organised by the Institute of Islamic Understanding Malaysia (IKIM) here. The report, released last month, downgraded Malaysia in the human development rankings from the 51st position last year to 57th this year.

From a high ranking in 1991, Malaysia was moved down to the medium category last year and now it appeared that the country was slipping lower in terms of human development. Dr. Mahathir said: I don't think we can take this report seriously ...Malaysia is being placed below Israel where people are killed everyday and children shot and they consider that as human right.

He added that the authors did not appreciate what Malaysia had done to bring about more stability in the country and they have been very biased in their report. The man who heads the study has no idea what human development and human rights is all about, he said.

Dr. Mahathir said it was common now for the West to paint a negative picture of countries in the East and to ignore the development efforts being made. We can take for granted that many reports now are very biased and the best thing for us to do is to look after ourselves and do things the right way.

Commenting on the UN-supervised Cambodian general election, Dr. Mahathir expressed hopes that all Cambodians would accept the results. The losers should accept their defeat, he said. He added: In an election, some people will win and some will lose.

What the Cambodians needed now was an understanding among the political parties that no absolute majority wins and that there was a need to form a coalition among the big political parties to govern the country, he said. The Cambodian People's Party (CPP), one of the three major parties, had demanded for fresh elections to be held in four of the 21 provinces, alleging irregularities.

The party and the government of Prime Minister Hun Sen say irregularities took place during and after the six-day elections last week—the first multiparty poll in Cambodia in decades and the first organised by the



United Nations, which is presiding over Cambodia's tortuous path towards peace.

Dr. Mahathir said CPP should accept the results, as earlier when they were winning in other areas they did not protest but when they lost they alleged irregularities. He said it was normal for losers to feel that way and he hoped that such feelings would settle down.

#### **Mahathir Decries West, Upholds Islamic Law**

*BK0306090893 Kuala Lumpur BERNAMA in English  
0726 GMT 3 Jun 93*

[Text] Kuala Lumpur, June 3 (OANA/BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed said Thursday Islamic countries should strengthen themselves because the world today viewed that might is right. To achieve this, the important thing was to ensure that a fair and efficient administration was established so that the country's achievement was at par with that of other developed countries.

Only after we have developed can we undertake preparation to strengthen our defence capability to be on the same level with that of other developed nations in all fields, he added. Opening the Islam and Justice Conference, organised by the Institute of Islamic Understanding Malaysia (IKIM), he said centuries after the decline of the Islamic empire, the world was dominated by non-Muslim countries of the West. They not only succeeded in dominating almost the entire world but also influenced the thinking of those they controlled and imposed their values and philosophy on them, he added.

Dr. Mahathir said: Their concepts and principles of justice are so widely disseminated so much so that the world is very engrossed with them and no one would question whether it is good or bad. He said the actual principle subscribed to by the West and the majority of the present day world civilisation was based on might is right.

Since the West is powerful, everything they do is fair. Since the Serbs are strong, their annexation of Muslim land is condoned. As Islamic countries and Muslims everywhere are weak, everything they do is wrong and unfair, he added. The prime minister said efforts by Muslims to reassert the concept of justice, as expounded by Islam, were criticised by the West as an attempt to revive old and antiquated thinking.

Dr Mahathir said that legal history had proven that the process of making laws into statutory legislations was initiated and implemented by Muslims. He said that this process had helped Islamic laws become more accurate and structured. But it should be noted that since the process of making Islamic laws into statutory legislations were done by people, who were not immune to imperfections, adjustments and corrections on these documents need to be made from time to time depending on time and place.

In this way, laws which were based on the Quran and the sayings of the prophet would be applicable at all times, he said. The prime minister said that crimes changed with time and in this modern time, there were subtle and complex commercial crimes which were difficult to detect and determine.

He said that if no efforts were made to identify these crimes and determine the appropriate penalty, consistent with religious teaching, then such crimes would engulf society. According to Dr Mahathir, efforts should be made so that the country's legal system was not inconsistent with the concept and principles of justice found in Islam.

#### **Mahathir Views Spratly Claims, Cambodian Election**

*BK3105145493 Kuala Lumpur Radio Malaysia  
Network in English 1300 GMT 31 May 93*

[Excerpt] The prime minister, Datuk Sri Dr. Mahathir Mohamed, says the overlapping claims on the Spratly Islands involving six countries should be resolved through discussions. He said the countries concerned should determine the basis for discussions—whether it is history, tradition, or the legal aspect—in their efforts to resolve the issue. He was responding to questions from reporters after holding a Hari Raya 'Id-al Adha [Muslim Festival of Sacrifice] open house at his residence in Kota Gajah in Alor Setar.

Yesterday, Philippine Undersecretary of Foreign Affairs Rodolfo Severino said in Manila that the six countries laying claim to the Spratlys would meet in the Philippine capital tomorrow to discuss joint development programs for the islands to avoid confrontation. The Spratly islands in the South China Sea are being claimed in part or in whole by China, Taiwan, Malaysia, Vietnam, the Philippines, and Brunei. Datuk Sri Dr. Mahathir said Malaysia would put forward several suggestions at the talks.

On the UN-sponsored national election in Cambodia, he said the situation looked good as the voter turnout exceeded 90 percent. Datuk Sri Dr. Mahathir said there were also no major attacks or sabotage by the Khmer Rouge. He said these developments showed that the results of the polls were acceptable to the majority of Cambodians. He said Malaysia did not take sides and would accept the outcome of the election. [passage omitted]

#### **Mahathir Condemns 'Western-Style Democracy'**

*BK2905090693 Kuala Lumpur Voice of Malaysia in  
English 0800 GMT 29 May 93*

[Text] Datuk Sri Dr. Mahathir Mohamed has asked Malaysians not to accept Western-style democracy as it could result in negative effects. The prime minister said such an extreme principle had caused moral decay,



homosexual activities, single parents, and economic slowdown because of poor work ethics.

Opening the Gerakan Party's 22nd delegates meeting in Kuala Lumpur, he said unlimited freedom is dangerous. What Malaysia needed was rational democracy and this should also be practised at the party level. Gerakan is a member of the ruling Barisan Nasional [National Front] coalition. Datuk Sri Dr. Mahathir said democracy is like a sharp knife which could be used for good or bad things.

### **Commentary Views ASEAN Concern About Security**

*BK0106092493 Kuala Lumpur Voice of Malaysia in English 0800 GMT 1 Jun 93*

[Station commentary]

[Text] There are several good reasons why ASEAN countries are seriously thinking about the security of the Southeast Asian region. The Cold War has ended and the Soviet Union has also collapsed. The American military presence in the region has been reduced very drastically. China is taking a big stride both as an economic and military power. The steady buildup of China's armed forces is a trend that is causing some anxiety. The Chinese defense minister was in Malaysia last week on an official visit. He made a statement to reassure all ASEAN countries that China is not bent on militarism nor expansionism. The conflicting claims over portions of the Spratly islands pose a threat to peace and stability in this region. China has expanded its South China fleet. At the same time, it had approved a law in February, making a formal legal claim over the Spratlys.

ASEAN has never been envisioned as a defense pact or a mutual defense agreement. All ASEAN members attach priority to the protection of maritime sea routes that pass through the region. In this matter again, the policies of China have given cause for some concern. In 1992, the Chinese Government passed a maritime law whereby it claims most of the South China Sea as well as the East China Sea. There was also a declaration authorizing the use of force in those areas. In a seminar early last month, it was suggested that joint development of maritime resources could be one possible solution to [words indistinct] security problem. Many countries or at least some factions of opinion in the country would like to see a greater American presence here. The U.S. defense budget has been cut, but the retention of a higher flexible defense capability is suggested as acceptable.

We are likely to hear more about this and other ideas from the ASEAN security agenda. ASEAN already has a special mode of consulting with its major trading partners. This is the ASEAN post-ministerial conference. After every ASEAN foreign ministers conference, sessions are held with these countries that have the post-ministerial conference status. It has been suggested that a similar arrangement can be started but devoted to defense and strategic matters. It was only last year, for example, that ASEAN decided to invite its trading

partners for talks on regional security. The USA, the European Community, Japan, Australia, New Zealand, and South Korea are among leading arms suppliers for ASEAN. In July this year, a ministerial gathering of ASEAN members will attempt to formalize such an idea. There will also be observers from Russia, China, Laos, and Vietnam. ASEAN members want their own organization to be the focus of a broader regional security dialogue with outside powers. ASEAN will always adapt itself to a new situation because that really is the source of the strength and relevance.

### **Cambodia**

#### **Sihanouk To Be Premier of Coalition Government**

*BK0306104693 Hong Kong AFP in English 1029 GMT 3 Jun 93*

[Text] Phnom Penh, June 3 (AFP)—Prince Norodom Sihanouk announced Thursday he would become prime minister of a coalition government in Cambodia while retaining his powers as head of state.

In a statement the former monarch said his son, Prince Norodom Ranariddh, leader of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party that is leading in the elections, would become deputy prime minister together with Phnom Penh Prime Minister Hun Sen.

Prince Sihanouk announced in the statement that the Phnom Penh Government had been dissolved. He called for a push towards national reconciliation by all the parties and factions including the radical Khmer Rouge, who boycotted the UN-run elections.

#### **CPP Issues Communiqué**

*BK0306114893 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1120 GMT 3 Jun 93*

[“Communiqué of the Cambodian People's Party”—read by announcer]

[Text] With the permission of His Royal Highness [HRH] Prince Norodom Sihanouk, head of state, father of the nation, and chairman of the Supreme National Council of Cambodia, the Cambodian People's Party [CPP] would like to announce to the two Supreme Patriarchs, all monks, and compatriots that with the aim to quickly achieve peace, national reconciliation, and national reconstruction within the framework of independence, sovereignty, and territorial integrity, a Cambodian national government will be formed in the near future.

The Cambodian National Government is composed of the following leadership:



1. Head of State Prince Norodom Sihanouk is the prime minister and supreme commander of the Cambodian National Armed Forces;

2. Prince Norodom Ranariddh is the deputy prime minister;

3. His Excellency Hun Sen is deputy prime minister.

The other components of the cabinet will be announced in the near future.

The CPP would like to appeal to compatriots, officials, administrators, and the armed forces of all categories to continue in calmness, joy, and optimism toward the Cambodian National Government under the lofty leadership of our HRH Prince Norodom Sihanouk. Written in Phnom Penh, 3 June

#### Further on Formation of Coalition

BK0306115993 Hong Kong AFP in English 1111 GMT  
3 Jun 93

[By Charles-Antoine de Nerciat]

[Text] Phnom Penh, June 3 (AFP) - Prince Norodom Sihanouk announced here Thursday his appointment as prime minister of a Cambodian coalition government joining representatives from the two main rival parties in last week's U.N.-organised elections. In a statement, Sihanouk also urged the radical Khmer Rouge guerrilla faction to accept "national reconciliation and national union." The prince said he would retain his powers as head of state and take over as supreme commander of the armed forces and the police.

The 70-year-old Sihanouk also announced the appointment of his son and royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] leader Prince Norodom Ranariddh as vice premier, together with Phnom Penh regime prime minister Hun Sen.

FUNCINPEC looked set to win the election from the Phnom Penh regime's Cambodian Peoples' Party (CPP), according to the latest figures issued by the United Nations. But the royalist party, which as a guerrilla force was allied with the Khmer Rouge during the civil war in Cambodia, appeared not to have secured an absolute majority in the new 120-seat National Assembly.

Sihanouk said in his statement that the Phnom Penh government had been dissolved. He said all ministries in his government would be headed by two "co-ministers"—one from FUNCINPEC, the other belonging to the CPP. The government will also include vice ministers from smaller parties holding seats in the National Assembly, he said.

"My new government calls on all parties and all groups, including the Party of Democratic Kampuchea (the formal designation for the Khmer Rouge) to accept national reconciliation and national union," Prince Sihanouk's statement said. "I shall continue to recognise the

existence, within the framework of the Cambodian nation, of the Party of Democratic Kampuchea."

The Khmer Rouge boycotted the election supervised by the United Nations in Cambodia, describing it as a "farce" designed to eliminate them politically.

#### Butrus-Ghali Assures Sihanouk on Poll Results

BK0106033393 Singapore BUSINESS TIMES in English 29-30 May 93 p 3

[Text] UNITED NATIONS Secretary-General Butrus Butrus-Ghali has personally assured Cambodian head of state Norodom Sihanouk that the UN will take strong measures against parties that do not accept the results of the poll which ended yesterday.

Sources close to the royal palace said the UN will take measures against any Cambodian party that does not accept the verdict of the election, including the ruling Hun Sen government if it loses and refuses to hand over power.

Asked if these measures include the use of military force, the source said: "It could come to that."

Prime Minister Hun Sen has repeatedly given the assurance that if his Cambodian People's Party (CPP) loses the election, it will hand over power to the winner.

Equally, Cambodians and diplomats feared that the Khmer Rouge might launch a major attack in a bid to prevent a new government from taking office.

United Nations Transitional Authority in Cambodia (Untac) spokesman Eric Falt said: "Before the (election) campaign started, Untac told all parties that their participation meant that they committed themselves in advance to accepting the results. We expect that they will honour this promise." Mr Ghali sent a message to Untac chief Yasushi Akashi, congratulating him yesterday for "the efficient and successful manner in which Untac prepared for and conducted the election in Cambodia".

"The spectacularly high voter turnout is an eloquent testimony to the confidence that Untac inspired among the people of Cambodia, as well as for their deep yearning for participatory democracy," Mr Ghali said.

Mr Falt said: "We made a bet. We bet on the Cambodian people. In return, they gave us their trust and tonight with almost 90 per cent participation we can safely say that we won our bet."

The last day of polling passed with minor clashes between the Khmer Rouge and forces of the Hun Sen government in Kompong Thom, Kompong Cham and Siem Reap provinces, which reported a low voter turnout.

In the western district of Sok San, 500 Khmer Rouge members demonstrated peacefully before the Dutch military battalion there asked them to leave.



Sources said that last month, during a visit to Phnom Penh, Mr Ghali told Prince Sihanouk at a banquet: "The success of Sihanouk is the success of Cambodia. And the success of Cambodia is the success of the UN and the world."

This morning, the Supreme National Council (SNC) will meet at the royal palace to assess the poll. At that meeting Mr Akashi is expected to certify whether the polls were free and fair.

#### UN: No 'Irregularities' Affected Poll

BK0206140493 Hong Kong AFP in English 1400 GMT 2 Jun 93

[Text] Phnom Penh, June 2 (AFP)—The United Nations Transitional Authority in Cambodia (UNTAC) said Wednesday that its investigation of "irregularities" alleged by the Phnom Penh Government found that none had any effect on the outcome of the vote. "It is the view of UNTAC that despite some (irregularities) ... there is no evidence of fraud, nor evidence to suggest that the scope of the problems should have an effect on the results," UN electoral chief Reginald Austin said.

The CPP has alleged such problems in the capital and four provinces, and has withdrawn its right to observe the vote count while demanding new elections be held in those areas. CPP officials have also threatened not to accept the result of the election unless UNTAC puts on new elections in limited areas.

Phnom Penh Foreign Minister Hor Namhong, reached by telephone, told AFP that the CPP strongly disagreed with the UNTAC report. "I reject UNTAC's conclusion," he said. "There was sufficient and flagrant proof of not only irregularities but of fraud."

CPP spokesman Sok An said the party's next move had not yet been decided.

Austin presented 57 pages of documents to reporters showing that many of the irregularities alleged by the government were computation errors, such as a miscount of the number of ballots collected from a particular polling booth, that had no effect on the vote count itself.

"Clearly there are some complaints which seem to go to the heart of the matter, such as those of actual numbers," Austin said. "I think what we have seen here is an unfortunate misunderstanding."

"We're dealing with human beings who make mistakes from time to time."

He also cited the problem of broken seals on ballot boxes, which occurred under UNTAC supervision while they were being transported from the polling sites to safe havens during the six days of polling. Austin said the seals were designed to hold up to transport to and from the polls only.

"This was obviously too much for the specifications that were made," he said, ruling out any possibility of ballot stuffing by UN personnel.

Austin said he hoped to have the vote count finished by late Thursday [3 June], making results available by Friday.

#### KYODO Carries Partial Election Results

OW0206135393 Tokyo KYODO in English 1332 GMT 2 Jun 93

[Text] Phnom Penh, June 2 KYODO—The following is the table of votes and seats won by parties in Cambodia's general election with about 90 percent of the 4.24 million votes counted:

| Party     | Votes     | Share (Pc) | Seats |
|-----------|-----------|------------|-------|
| FUNCINPEC | 1,530,755 | 45.7       | 47    |
| CPP       | 1,227,759 | 38.1       | 40    |
| BLDP      | 125,803   | 3.8        | 4     |

(Note: Funcinpec: National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia. CPP: Cambodian People's Party. BLDP: Buddhist Liberal Democratic Party. At stake in the elections are 120 seats in a constituent assembly.)

#### Unofficial Final Results Point to Coalition

BK0306100493 Hong Kong AFP in English 0922 GMT 3 Jun 93

[By Sheri Prasso]

[Text] Phnom Penh, June 3 (AFP)—Cambodia's royalist opposition party looked set Thursday to win between five and 10 more seats than the government in the new assembly, giving neither a clear majority and forcing the two rivals into an uneasy coalition.

With slightly more than 90 percent of the votes tallied, the royalist party, known by its French acronym FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], maintained a 7.4 percent lead over the government's Cambodian People's Party (CPP), gathering 1.68 million votes to the CPP's 1.41 million nationwide, UN Transitional Authority in Cambodia (UNTAC) figures showed.

FUNCINPEC could capture 56 to 60 seats in the 120-member constituent assembly, compared to the CPP's 49 to 53 seats. The remainder would go to the Buddhist Liberal Democratic Party (BLDP) of former prime minister Son Sann, with only one other minor party likely to get a seat.

But even though the royalist FUNCINPEC would have a simple majority, a two-thirds majority—80 of 120 seats—is required to pass the new constitution.

"They absolutely have no choice but to get together," said UNTAC deputy chief Behrooz Sadry.



But whether the two old rivals are capable of coalition was another matter. Both sides vowed during the campaign that they would never cooperate with the other.

"If there is a coalition, it's going to be uneasy," said an Asian diplomat, adding that the diplomatic corps was trying its best to push the strange bedfellows together.

The CPP appeared to have backed off its earlier demand for new elections in provinces where it was losing, and instead turned its tack towards securing a coalition government with Prince Norodom Sihanouk as the prime minister and the CPP's Hun Sen and FUNCINPEC's Prince Norodom Ranariddh as deputy premiers.

"I think the best way is to form a coalition government," said deputy minister and senior advisor Khieu Kanharith. However, he said the government must keep control of the military and security apparatus, perhaps with a FUNCINPEC official as deputy.

"We have more than 150,000 soldiers (and) ... we want to avoid that there might be some armed insurrection," he said. "This doesn't mean absolute control. FUNCINPEC can be deputy minister, because this is a problem not only between two political factions, but between two armed factions."

He said that in all cases where the government would keep ministers, FUNCINPEC could appoint deputy ministers, and vice versa.

Prince Ranariddh's position has not yet been made public. He was expected back in Phnom Penh on Friday [4 June].

The final allocation of seats cannot be made until the 170,000 tendered ballots, for people missing their voter registration cards, are counted and verified by hand. Tendered ballot results, likely to be in favor of the opposition, could affect allocation of seats in at least two provinces.

Preliminary figures, however, indicated the following most likely allocation of seats in the provinces based on AFP calculations:

Banteay Meanchey (FUNCINPEC three, CPP two, BLDP one), Battambang (FUNCINPEC four, CPP three, BLDP one), Kampot (FUNCINPEC three, CPP three), Kandal (FUNCINPEC seven, CPP three, BLDP one), Koh Kong (CPP one).

Kompong Cham (FUNCINPEC 10, CPP six, BLDP one, unknown party one), Kompong Chhnang (FUNCINPEC two, CPP two), Kompong Speu (CPP three, FUNCINPEC two, BLDP one), Kompong Thom (CPP three, FUNCINPEC two, BLDP one), Kratie (FUNCINPEC two, CPP one).

Mondolkiri (CPP one), Phnom Penh (FUNCINPEC seven, CPP four, BLDP one), Preak Vihear (CPP one), Prey Veng (CPP six, FUNCINPEC four, BLDP one),

Pursat (FUNCINPEC two, CPP two), Ratanakiri (CPP one), Siem Reap (FUNCINPEC three, CPP two, BLDP one).

Sihanoukville (FUNCINPEC one), Stung Treng (CPP one), Svay Rieng (counting not finished) and Takeo (counting not finished).

### **FUNCINPEC Leads; 90 Percent of Votes In**

*BK0206142893 Hong Kong AFP in English 1418 GMT 2 Jun 93*

[Text] Phnom Penh, June 2 (AFP)—The royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party further widened its lead over the government's Cambodian People's Party (CPP) by 7.6 percentage points Wednesday, with 90 percent of the vote tallied in the UN election for a legitimate government in Cambodia.

Nationwide, the FUNCINPEC party founded by Prince Norodom Sihanouk garnered 45.7 percent of the vote, while the CPP had 38.1 percent, UN Transitional Authority in Cambodia (UNTAC) figures showed. But because Cambodia's election is by proportional representation, the allocation of seats in the new 120-member constituent assembly will not be known until the final results are counted.

The new results gave FUNCINPEC the majority [in] Siem Reap, Kompong Cham, Kandal and Battambang provinces. Together they constitute 43 seats, or more than a third of the new legislature.

In Kandal, FUNCINPEC won 60 percent of the vote compared to the CPP's 25 percent, results likely to give FUNCINPEC seven seats to CPP's four. In Kompong Cham, with 75 percent of the vote counted, FUNCINPEC had 54 percent to CPP's 31 percent. If the trend continued, FUNCINPEC would likely win 10 seats from the province, compared to CPP's six.

CPP added Kompong Cham to its list of provinces where it disputed the results, and was demanding new elections for 53 seats due to what it called "irregularities" in the voting and the counting of the ballots.

UNTAC said late Wednesday that none of the irregularities had any effect on the outcome of the vote. CPP spokesman Sok An replied: "We continue to raise the problem of these irregularities." He refused to say what the party would do next. CPP had withdrawn its party agents, who are sent by the party to watch the counting, from vote counting centers in Kandal, Battambang and Kompong Cham provinces, UNTAC spokesman Eric Falt said.

The CPP won the majority in central Kompong Thom Province—44 percent to 34 percent—and was likely to be allocated three of the six seats, with the remainder going two to FUNCINPEC and one to the Buddhist



Liberal Democratic Party (BLDP) of former prime minister Son Sann. CPP was also leading in Prey Veng, the home of the most hardline leaders in Cambodia's history, including CPP President Chea Sim, who ran instead from Phnom Penh. CPP was ahead 48 percent to 37 percent with almost 90 percent of the votes counted for 11 seats, Falt said. Also in Takeo, which has eight seats and a quarter of the votes counted so far, the CPP had 48 percent of the vote compared to FUNCINPEC's 33 percent. CPP had already captured the one seat each from the northern provinces of Preah Vihear, Stung Treng, Ratanakiri and Mondolkiri, plus the southeastern province of Koh Kong.

FUNCINPEC won the capital, likely capturing seven seats to the CPP's four, as well as the one seat from southern Sihanoukville. Final counts from Kompong Chhnang split the vote 51 percent CPP and 31 percent FUNCINPEC, but the two were likely to evenly divide the four provincial seats. Northeastern Kratie was likely to be divided with two seats for FUNCINPEC and one for CPP, and the two parties also evenly divide the 10 seats from Pursat and Kampot provinces.

In the northwest, FUNCINPEC won the majority in Banteay Meanchey, 45 percent to the CPP's 28 percent. The six seats were likely to be allocated three for FUNCINPEC, two for CPP and one for BLDP.

Battambang—where CPP disputed the totals—followed the same trend. FUNCINPEC was leading the CPP 46 percent to 31 percent with 80 percent of the vote counted.

#### **Government Spokesman: UNTAC Radio Influenced Poll**

*BK0306011493 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 2 Jun 93*

[Text] Khieu Kanharit, spokesman of the government of the State of Cambodia [SOC], held a weekly news conference for national and international reporters and representatives from various embassies in Cambodia at the Sakal Muoy Hotel on the morning of 1 June. At the conference, the spokesman said: We have appealed to our people to remain calm. Owing to the turmoil, the Cambodian People's Party [CPP] and the SOC government have proposed that the UNTAC [UN Transitional Authority in Cambodia] radio hold back broadcasting the election results. The SOC position is that we will respect the results of a genuinely free and fair poll because it represents the will of the people, but now we should tackle some irregularities.

Khieu Kanharit added: We have taken note of the offensive campaign which has swung the votes: Before the polls, UNTAC forbade the SOC radio and television from broadcasting political issues. Meanwhile, VOA continued its offensive broadcast against the SOC. The FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]

television also continued to introduce its leaders without being banned or warned by UNTAC. On the first day of the elections, UNTAC radio reported on UNTAC's fines against Prince Norodom Chakkrapong and Khim Bo. Later, it broadcast an interview with a Buddhist monk, in which SOC provincial officials were accused of barring people from offering him food. Moreover, the UNTAC radio also belittled Prince Norodom Chakkrapong and Khim Bo when they paid their fines. During the elections, we also noted that UNTAC radio played FUNCINPEC's political songs.

Khieu Kanharit underlined that this occurrence is a lesson to other countries, which like Cambodia accept the UN presence, to pay careful attention to the news service because it can greatly influence an election.

Answering a question on whether the latest statement of His Excellency [H.E.] Chea Sim was contrary to the one made by Hun Sen at the Supreme National Council meeting, Khieu Kanharit clarified that Prime Minister H.E. Hun Sen said that the political aspect of the elections proceeded well, but that we have taken note of technical problems. Therefore, H.E. Chea Sim's statement was issued based on Hun Sen's statement.

#### **AFP Reports Over 100,000 Invalid Ballots Cast**

*BK0306055993 Hong Kong AFP in English 0547 GMT 3 Jun 93*

[By Sheri Prasso]

[Text] Phnom Penh, June 3 (AFP)—More than 100,000 Cambodians marked their ballots for the United Nations, left them blank or crossed off all 20 choices in last week's U.N. election. Compared with elections in other countries emerging from years of war and communist control, however, the number is remarkably small. With about 90 percent of the vote counted so far by the U.N. Transitional Authority in Cambodia (UNTAC), the average of invalid ballots worked out to less than three percent nationwide—or slightly more than 100,000.

Romania's September 1991 elections had 12 percent of its ballots invalid, while in Angola last year, 20 percent were unable to be counted.

In Cambodia, the reasons varied from protest to ignorance.

"These parties all smell .... I don't want any of them," one disgruntled voter in the capital wrote on his or her ballot.

"They're all traitors to the nation," wrote another. "I'm not going to vote for any of these parties."

Others took the opposite approach.

"We, as Buddhist monks and men of peace, are voting for all 20 parties," the leader of several dozen saffron-robed men told AFP during the election.



A number of voters, immersed in Phnom Penh government propaganda which told them to mark the first symbol of 20 on the ballot in order to vote for the Cambodian People's Party, did make a check mark next to the first symbol they saw—the UNTAC symbol on the heading.

Others thought that the invisible, ultra-violet ink in which they dipped their fingers in order to prevent multiple voting made it possible to press their index finger to the paper and make a mark that could be picked up later by a special machine. Once UNTAC officials caught on to the "magic finger" trend, some—particularly in Siem Reap—actually passed an ultra-violet lamp over the ballots to see if a clear mark remained, and then counted the ballots as valid, U.N. officials said. Just one ballot in a pile of 8,000 in Phnom Penh was a "magic finger" ballot, according to one of the counters.

Other people had no idea how to vote at all, despite UNTAC's education campaigns, and cast blank ballots.

"Some people have never held a pencil before," said Kate Head, program officer for the U.S.-based National Democratic Institute, which instructed parties on the mechanics of running election campaigns.

"Plus, no one has glasses in this country. They couldn't see," she said.

In one voting booth in southern Kompong Speu province, a voter had walked off with the pencil some time during the day, and finally one man came out complaining that he had to cast a blank ballot. How many people cast blank ballots before someone had the courage to speak is unknown.

#### **KYODO: Sihanouk, KR Held 'Secret' Beijing Talks**

*OW0206131293 Tokyo KYODO in English 1252 GMT 2 Jun 93*

[Text] Beijing, June 2 KYODO—Khmer Rouge guerrillas backed off from pledges to disrupt Cambodia's general election because of a secret meeting in Beijing on the eve of the poll, a well-placed source said Wednesday [2 June]. The president of the Khmer Rouge, Khieu Samphan, made the agreement not to wage violence during a meeting with Cambodian head of state Prince Norodom Sihanouk, said the source, who has close links to the Khmer Rouge.

The source also indicated that the price for that was agreement by Sihanouk to include the Khmer Rouge in government if the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party he founded won the election. The guerrilla group had been expected to attack polling stations and election officials, and although there was some violence, it was nowhere near what had been feared. The anti-Phnom Penh government faction led by

Pol Pot boycotted the U.N.-organized poll, the nation's first multiparty election in decades.

The source said that without the secret talks in Beijing on May 21, the Khmer Rouge would have attacked election facilities and personnel. Observers said the high turnout in the Cambodian poll—almost 90 percent of the 4.7 million registered voters—was apparently realized because the Maoist-inspired guerrilla faction kept its word.

Sihanouk, also chairman of the Supreme National Council (SNC), a national reconciliation body, flew to Phnom Penh from Beijing on May 22.

The source in Beijing said that although Sihanouk declared he had abandoned plans to set up a national reconciliation government with representation by the Khmer Rouge faction, that was not his real intention. He indicated that Sihanouk and the Khmer Rouge made a deal about Khmer representation in the new government. Sihanouk was quoted as saying during the secret talks, "if the Funcinpec Party wins in the election, we can peacefully topple the Cambodian People's Party (of the Phnom Penh government)," the source said.

Funcinpec looks like to have won the six-day election that ended last Friday [28 May], latest vote tallies show.

#### **Paper Notes Signs of 'Split' in CPP**

*BK0306021393 Bangkok THE NATION in English 3 Jun 93 p A4*

[By Kunchada Chaiphiphat]

[Text] A split has appeared among top-ranking officials in the Cambodian People's Party (CPP) as their expectations for an election win appear to be dashed, some Phnom Penh-based diplomats and analysts say.

The telltale sign is recent disagreement over the election among CPP leaders, especially between Prime Minister Hun Sen and his hardline colleagues, according to diplomats.

They said a meeting on Monday night of Untac [UN Transitional Authority in Cambodia] chief Yasushi Akashi and the Phnom Penh leaders, in which the prime minister was notably absent, indicated disagreement among the top officials over whether to recognize the election results before the convening of the Supreme National Council set for Saturday.

With about 80 per cent of the votes counted, the Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party was yesterday estimated to be leading by seven percentage points and was expected to take 57 assembly seats to the CPP's 52.

House Speaker Chea Sim, considered to be the most powerful person in Cambodia even though he ranks second in the hierarchy, deputy prime minister Sar



Kheng and Foreign Minister Nor Hamhong called the urgent meeting with Akashi to air their complaints about what they claimed were growing irregularities in the electoral process and ballot counting. Honorary President Heng Samrin ranks first and Hun Sen third in the party's politburo.

Phnom Penh radio on Monday night [31 May] repeatedly aired Chea Sim's request to organize a new election in Prey Veng, Battambang, Kampong Chhnang and Phnom Penh where the hardline leaders contested the election.

Monday's announcement included the desire to see the elections re-held in Kampong Cham and Kandal as well. Meanwhile, no word from Hun Sen.

A Phnom Penh-based political analyst said the request for the new vote showed the hardliners' reluctance to accept their defeat.

He said Hun Sen's future could still be negotiable given his international good standing and moderate stance even if his party lost to Funcinpec. However, for Chea Sim and other hardliners, a CPP poll defeat would mean a bleak future. Chea Sim ran in the capital city where Funcinpec was ahead by 2-1.

Chea Soth contested in Battambang where the rival party was also leading the CPP.

Sar Kheng contested in Prey Veng where the CPP had expected a clear victory. But according to early results, Funcinpec was well ahead there too, where 11 seats were at stake.

And while early results showed that Hun Sen would suffer a big 2-1 loss to Funcinpec in his home town of Kampong Cham where 18 seats are at stake, the prime minister continued to stay out of public view.

The Phnom Penh-based analyst said that while Phnom Penh had expected some casualties in the capital city and the satellite towns, the votes in favour of Funcinpec in areas the Phnom Penh leaders contested were a slap in the face of the incumbent government which has been in power for 14 years. "The hardliners cannot afford to lose power abruptly," said the analyst.

In his interview with a Japanese television station, Hun Sen had said the most pragmatic landscape for post-war Cambodia would be a multi-party government.

"It shows that Hun Sen is willing to compromise," said the analyst.

Fears of a coup d'etat and riots have rocked Phnom Penh as there were reports that the government had mobilized five army regiments in Takeo, Kampot and Prey Veng.

But a senior Untac official said while Chea Sim, Sar Kheng and Chea Soth were capable of inciting insurrection within the army and police units, as they still hold a grip over the police and militia, their attempts would not

be decisive given the serious disunity between those clinging to power and the low-ranking officers who could desert at any time.

"The apparent defeat of the CPP showed that some of the CPP's claimed three million members had swung their votes in favour of Funcinpec which supported peaceful means in settling problems.

"Unless they are successful in staging a coup, their political future would be even worse than accepting the defeat," said the official.

### **Khmer Rouge Reportedly Attack Siem Reap 2 Jun**

*BK0206051893 Hong Kong AFP in English 0510 GMT 2 Jun 93*

[Text] SIEM REAP, Cambodia, June 2 (AFP)—A government policeman was killed Wednesday and three others wounded as the radical Khmer Rouge launched another attack in Siem Reap Province, U.N. military sources said here.

A group of around 80 Khmer Rouge guerrillas using mortars and automatic weapons attacked a government position in Phnom Kraon, 15 kilometers (nine miles) southeast of Siem Reap, near the famous temples of Angkor Wat.

As they were withdrawing following a government riposte, the Khmer Rouge guerrillas attacked a small government post close to Choam Kneas, south of Siem Reap, where they killed a government policeman and wounded three seriously, the sources said.

Choam Kneas is the floating village attacked by the Khmer Rouge in early March, when 33 ethnic Vietnamese were killed. That attack led to a massive exodus from Cambodia by ethnic Vietnamese.

### **UN Soldier Killed in Apparent KR Ambush**

*BK3105124493 Hong Kong AFP in English 1236 GMT 31 May 93*

[Text] Phnom Penh, May 31 (AFP)—A UN peacekeeper was killed Monday and three others injured in an ambush in eastern Cambodia by suspected Khmer Rouge guerrillas, a UN spokesman said. The peacekeeper who was killed was from Uruguay, the spokesman, Eric Falt said. Another Uruguyan was injured in the attack on a UN convoy in Mimot District, in Kompong Cham Province, as well as two Poles.

### **KR General Warns of 'Large-Scale Civil War'**

*OW3105225393 Tokyo KYODO in English 1505 GMT 31 May 93*

[Text] Banteay Meanchey, Cambodia, May 31 KYODO—A senior Khmer Rouge [KR] divisional commander warned Monday that large-scale civil war will erupt if the Cambodian People's Party of the Phnom Penh government wins the general election.



In an interview with KYODO News Service in a Khmer Rouge-controlled area in Banteay Meanchey, Maj. Gen. Prom Su said a royalist win by the FUNCINPEC party would bring peace, war would be avoided and his faction would be ready to disarm. He expects FUNCINPEC—a French acronym for the National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia and led by Prince Norodom Ranariddh, son of head of state Prince Norodom Sihanouk—will win the election.

If FUNCINPEC wins, the Khmer Rouge will take part in a national reconciliation government with three other rival factions under Sihanouk, including the incumbent Hanoi-installed Phnom Penh government.

He said a CPP victory would result in a large-scale civil war, pointing out that prime minister Hun Sen of the Phnom Penh government has said his forces will exterminate the Khmer Rouge. The influx of Vietnamese will increase to 3 million to 10 million if the CPP wins and as long as a large number of Vietnamese exist in Cambodia, large-scale civil war cannot be avoided, he said.

#### **Japanese Election Monitors Leave for Bangkok**

OW0206091593 Tokyo KYODO in English 0829 GMT  
2 Jun 93

[Text] Takeo, Cambodia, June 2 KYODO—Thirty-nine Japanese election monitors went to Phnom Penh from Takeo on Wednesday [2 May] on a United Nations helicopter, bound for home after being relieved of vote counting duties. The 39-member monitoring team will transfer to a U.N. transport plane at a Phnom Penh airport and fly into Bangkok on Wednesday night. They will leave Bangkok for Tokyo on Thursday night with two other Japanese election monitors who were posted in Phnom Penh and have already flown to the Thai capital, Japanese officials said.

#### **Stray Bullet Hits Building Housing Japanese Police**

OW0206160793 Tokyo KYODO in English 1509 GMT  
2 Jun 93

[Text] Phnom Penh, June 2 KYODO—A stray bullet hit a building housing Japanese civilian police on U.N. peacekeeping duty in Cambodia but caused no injuries, sources at Japan's National Police Agency said Wednesday. The shot, fired on Monday night, only damaged part of a window frame of the building in Preyveng, southeastern Cambodia. Some Japanese personnel were there at the time, the sources said.

The bullet was fired when a drunken soldier and a policeman of the Phnom Penh Government started quarreling, the sources said. Sixty-six Japanese civilian policemen will return to Japan in the week starting next Sunday [6 June], about a month earlier than originally scheduled.

#### **UN: Abducted Vietnamese Fishermen Killed 2 Jun**

BK0306053893 Hong Kong AFP in English 0529 GMT  
3 Jun 93

[Text] PHNOM PENH, June 3 (AFP)—Up to nine ethnic Vietnamese fishermen were feared dead after they were captured Wednesday night by unidentified men from their boat off Cambodia's southwestern port of Sihanoukville, a U.N. spokesman said here Thursday. Four bodies were found Thursday morning in an inlet with their hands tied behind their backs, Eric Falt said. They were apparently shot dead. The other fishermen were missing for the time being, he said. Falt said it was not immediately clear whether the fishermen were from Vietnam or ethnic Vietnamese from Cambodia.

### **Indonesia**

#### **Alatas Views U.S. Stand on Rights, E. Timor**

BK0106095193 Jakarta TEMPO in Indonesian  
8 May 93 pp 32, 33

["Excerpts" of interview with Indonesian Foreign Minister Ali Alatas by unidentified KOMPAS correspondent in Washington; date not given]

[Text] [TEMPO] Can we say that the main purpose of your current visit to Washington is to seek the support of the United States, which is one of the G-7 countries, for the chairman of the Nonaligned Movement [President Suharto] to meet and give his views to the G-7 leaders in Tokyo in July?

[Alatas] It is not the main issue, but one of the special topics I discussed here. I also briefed U.S. officials on my tripartite meeting with the Portuguese foreign minister and the UN secretary general in Rome, as well as the outcome of the meeting of the Organization of Islamic Conference on the Bosnian issue.

[TEMPO] Can we say that you have come here to demand an explanation for the shift in position by the U.S. delegation at the Convention on Human Rights in Geneva last February, a position different from the one of the previous year.

[Alatas] The meeting in Geneva itself is not a special issue, but I have to give my clarifications on the East Timor issue because new questions have arisen.

[TEMPO] Did you get a confirmation that the United States has not changed its stand on the East Timor issue?

[Alatas] Their basic policy [two preceding words in English] is to accept East Timor's de facto integration into the Republic of Indonesia, but it does not mean that they approve of the way the integration was carried out. Their stand must be reconfirmed.



[TEMPO] Is this current government's style different from that of the U.S. Republican Party that prefers to discuss human rights issues in closed-door bilateral talks?

[Alatas] A new pattern may have appeared in which they actively prefer discussing human rights in a multilateral manner.

[TEMPO] In view of the U.S. policy to not recognize the self-determination process in East Timor, does this mean the United States may withdraw its de facto recognition of East Timor anytime?

[Alatas] No, it means that they have not yet extended their de jure recognition.

[TEMPO] On the issue of the G-7 summit meeting, do you think U.S. Secretary of State Warren Christopher actually does not support the Nonaligned Movement's aspirations?

[Alatas] He does not give me that impression. As far as I know from reports from Tokyo, the U.S. stand is that the issue must be decided collectively by all the G-7 member countries and there is a procedure for reaching that decision. Christopher himself asked me several questions and I gave him the answers.

[TEMPO] So you will still try to make it possible for the chairman of the Nonaligned Movement to meet the G-7 leaders, and it is not yet necessary for you to conduct damage control? [two preceding words in English]

[Alatas] [laughing] Not yet.

[TEMPO] It appears that there are many obstacles in the relations between Indonesia and the United States under President Clinton.

[Alatas] While it cannot be denied that there are basic similarities between the U.S. Republican and Democratic Parties in pursuing foreign policy [two preceding words in English], there are also subtle differences which we already know. This is not something new because during President Carter's tenure strong emphasis was placed on human rights issues. Besides, it is an undeniable fact that the Democratic Party has always considered human rights, democracy, and other things to be important issues.

#### **Commander Urges Gusmao Jailing Outside E. Timor**

*BK2805112793 Hong Kong AFP in English 1054 GMT 28 May 93*

[Text] Jakarta, May 28 (AFP)—Indonesia's military chief in East Timor wants separatist leader Xanana Gusmao to serve the life sentence he received last week outside the former Portuguese colony, the JAWA POS daily said Friday. "It would be better if he were jailed outside East Timor so that there would not be things that we would not wish to happen," JAWA POS quoted East Timor Military Commander Colonel Suntoro as saying.

The state court in Dili, the main city in East Timor, on May 21 condemned the 46-year-old Gusmao to life imprisonment for rebellion, separatism and illegal possession of firearms. He was captured in November in Dili. Gusmao had headed since 1979 the pro-independence movement Fretilin, which has been fighting against Indonesian troops since they invaded East Timor in 1975. Indonesia unilaterally declared the area its 27th province the following year.

Suntoro cited as his reason the existence of what he called "two-headed" people in East Timor, a term used by Indonesian authorities for East Timorese who are secretly pro-independence. The military commander, however, added that judicial authorities should decide where Gusmao would serve his sentence.

The ANTARA News Agency meanwhile reported that the Supreme Court had upheld a life sentence on another East Timorese charged with leading an anti-Indonesia demonstration that led to a massacre by troops in Dili. ANTARA quoted Dili State Court Chief Hironymus Godang as saying in Dili that the decision was taken because defendant Gregorio da Cunha Saldanha and his lawyer had failed to submit an appeal document as required by the law.

The Supreme Court decision was taken on February 4, but was made public for the first time Friday. The Dili court on July 1 last year sentenced Saldanha, 29, a Dili hospital employee, to life imprisonment on the charge of subversion for having undermined the power of the state. The court said Saldanha had been active in gathering people for the demonstration that led to the November 12, 1991 massacre where scores of civilian died after Indonesian soldiers fired into the demonstrators.

#### **Editorial Questions Validity of Gusmao Trial**

*BK3105025893 Bangkok THE NATION in English 31 May 93 p A6*

[Editorial: "Gusmao's sentencing is a real travesty of justice"]

[Text] East Timor rebel leader Xanana Gusmao was sentenced two weeks ago to spend the rest of his life in jail after being found guilty of trying to end Indonesian rule in East Timor and possession of firearms. Gusmao was also guilty of masterminding the November 1991 protests against Indonesian rule.

The United Nations does not recognize Jakarta's authority in East Timor which Indonesia invaded in 1975, shortly after the Portuguese colonial rulers left. Jakarta formally annexed the territory in 1976. For 16 years, Gusmao headed the dwindling Fretilin [Movement for an Independent East Timor] movement, trying to oust Indonesian troops from the territory.

Right to counsel has been an issue in the arrest of Gusmao and other members of Fretilin. The Fretilin



leader was arrested in Dili on Nov 20, 1992, but did not meet with a lawyer until late December. Family members have been denied all access to him. More than 60 relatives and associates of Gusmao were detained in the months following his arrest and many have been held incommunicado. There have been persistent though unconfirmed reports of torture of those held.

Gusmao's trial began in East Timor's capital Dili on Feb 1. He was represented at the trial by three lawyers led by Sudjono, a Jakarta-based lawyer who previously defended an East Timorese charged with political offences. Sudjono denied that he had been chosen by the government to represent Gusmao and said that he had met him on four occasions prior to the trial. Questions remain as to the circumstances by which Sudjono became Gusmao's lawyer and why Gusmao did not meet his counsel until more than one month after his arrest.

The trial proper was not conducted in accordance with international standards of fairness. It was clearly political, and not a trial in the accepted sense of justice.

Gusmao is conversant only in Portuguese, besides his native East Timorese language Tetun. Because of this an interpreter translated the proceedings from Bahasa Indonesia into Portuguese and vice versa.

But observers at the trial noted that the official interpreter was either incompetent and not conversant with legal terms or was purposely adulterating Gusmao's words. These observers who are familiar with both Portuguese and Bahasa Indonesia noted the constant discrepancies in Gusmao's words and those of the interpreter.

In the closing stages of the trial, the court stopped Gusmao from reading his 27-page defence statement after only a few minutes, while the prosecution case was heard uninterrupted and the judge spent seven hours reading out his 250-page finding.

In his statement, Xanana denied he was an Indonesian or subject to Indonesian law. He said he was coerced into recanting his views for Indonesian video cameras and was forced to refuse offers of help from the Jakarta-based Legal Aid Institute.

In addition, the assurances given by the Indonesian authorities that free access to the trial would be granted to diplomats, journalists and international observers were not fulfilled. The authorities went as far as to deny the representative of the United Nations the possibility to attend two sessions of the trial, as well as diplomats of various countries. Preventing people from entering the

court room and distortion of sound were used to eliminate any possibility of Gusmao being heard when he was striving to read his defence.

Though the history of the East Timor conflict is long and complex, the essence of the injustice is strikingly simple. Unarmed innocent people in their homeland have either been killed, imprisoned or tortured by the Indonesian authorities.

The sentencing of Xanana Gusmao is another serious warning to the international community of the urgent need to settle the East Timor issue.

The settlement must be based on respect for international legality, and in particular for the right to self determination.

The world cannot turn a blind eye to the East Timor tragedy. Nearly 18 years have passed since Indonesian paratroopers first landed in Dili, and more than 200,000 East Timorese are reported to have lost their lives. Tens of thousands more have been uprooted from their ancestral lands. There are more than 30,000 orphans in the island and thousands of families have been torn apart.

#### **Students Demand Cut in U.S. 'Intervention'**

*BK3005141093 Jakarta THE JAKARTA POST in English 18 May 93 p 3*

[Text] Jakarta (JP)—Around 40 students of the University of Indonesia demonstrated outside the United States Embassy yesterday to demand a reduction in U.S. foreign intervention. Fadli Zon, spokesman for the University of Indonesia Committee for Human Rights in Bosnia, Palestine and Libya, said the group demanded less intervention in the three countries.

"Their intervention has caused violations of human rights," he said outside the embassy on Jalan (Road) Merdeka Selatan, South Jakarta. The students read poetry, chanted slogans, sang songs in Indonesian and English and delivered a written statement to the embassy's secretary for political affairs, John Koenig, during the half-hour protest.

The group, represented by Zon and Bagus Hendrani, included in its demands the immediate implementation of a number of resolutions on Palestine by the United States and the United Nations. They also urged the UN's Security Council to end the air embargo on Libya, which they said hampered Libyan Moslems from going on the annual pilgrimage to Mecca.

"We regret the United States' double standard and slowness in handling conflicts in Islamic countries," Zon said. Other demands included a halt to the weapon embargo on Bosnia and the establishment of an effective



food supply to Bosnian Moslems. "Koenig promised to forward the demands to Washington," Zon said, adding that the students were "satisfied" with the meeting. The delegation later visited the Palestinian embassy and met with ambassador Ribhi Y. Awad, who "conveyed his gratitude on behalf of the Palestinian people," according to Zon.

#### **Suharto Receives Visiting SRV Defense Minister**

*BK0306065393 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 3 Jun 93*

[Text] General Doan Khue, the defense minister of the Socialist Republic of Vietnam, paid a courtesy visit on President Suharto at Bina Graha Palace, Jakarta this morning. He was accompanied by General Edi Sudrajat, defense and security minister. After meeting with the president, Minister Edi Sudrajat said the visit by his Vietnamese counterpart was aimed at further strengthening friendly ties and cooperation.

While in Indonesia, General Doan Khue will conduct a visit to the Defense and Security Department, [word indistinct] in Surabaya and Bali before returning to Vietnam. In his meeting with the president, discussions were held on the issue concerning the off-shore continental shelf boundary. According to Edi Sudrajat, the two neighboring countries with a common background will surely find an agreement to the solution through a cooperative discussion.

#### **Government Offers Iran Helicopters To Pay Debts**

*LD0106162593 Tehran IRNA in English 1528 GMT 1 Jun 93*

[Text] Kuala Lumpur, June 5, IRNA—In the process to pay off the greater part of its 120 million dollars debt with Iran, Indonesia has offered to sell its seven super Puma helicopters to the Islamic Republic. Its State Minister for Research and Technology B.J. Habibie said on Tuesday the money paid by Indonesia for the crude oil deliveries had been deposited in a bank but was disbursable only when Iran made a counter-purchase from Indonesia.

Super Puma helicopters are made at Indonesia's aircraft manufacturing plant IPTN in Bandung. The seven helicopters' total value of 98 million dollars would cover most of a 120 million dollars debt Indonesia made by buying Iranian crude petroleum under a counter-purchase system a number of years ago, Habibie was quoted by ANTARA news agency as saying.

Initially, Iran made such counter-purchase by ordering plywood and textiles but Iran's need for these goods had reached a saturation point, the minister said. The helicopters would be delivered to Iran in eight months' time, he said. Habibie added he had been making efforts to sell CN-120 aircraft also made by IPTN in the Middle East market through Iran.

#### **Laos**

#### **SRV Finance Minister Continues Vientiane Visit**

##### **Received by Prime Minister**

*BK2905091993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 May 93*

[Text] Yesterday, Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister of the Lao People's Democratic Republic [LPDR], received in Vientiane a courtesy call from Ho Te, finance minister of the SRV, who is currently on a visit to the LPDR. On this occasion, the SRV finance minister informed Khamtai Siphandon of certain experiences of the SRV in carrying out financial activities in accordance with the new restructuring policy adopted by the Communist Party of Vietnam [CPV], the policy which, he noted, has brought about beneficial results for the socioeconomic development of the SRV. He also expressed satisfaction and great pleasure over the warm welcome accorded to him and his delegation by our Lao Government and party leaders in general and by leading cadres of our Lao Finance Ministry and the LPRP Central Committee in particular.

In return, Khamtai Siphandon, chairman of the LPRP Central Committee and prime minister of the LPDR, welcomed and highly appraised the visit to Laos of the SRV Finance Ministry delegation on this occasion, a visit which, he said, has significantly contributed to the increasing development and strengthening of the relations of special friendship and all-round cooperation between the governments and the peoples of the two countries, Laos and Vietnam. Khamtai Siphandon also highly assessed the cooperation and mutual assistance between the financial services of the two countries in the past as well as in the present—cooperation and mutual assistance which, he noted, have become ever more efficient with each passing day on the basis of the renovation of each country.

##### **Ends Visit; Memo Signed**

*BK0206051393 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 1 Jun 93*

[Text] A delegation of the SRV Finance Ministry, led by Minister Ho Te, ended a visit to Laos and left for home on the morning of 1 June. Prior to its departure, the SRV finance delegation jointly signed with a Lao finance delegation a memorandum on cooperation between the finance ministries of the two countries for 1993. The signing ceremony was held at Lan Xang Hotel in Vientiane on the morning of 31 May. The memorandum reviews the cooperative activities between the finance ministries of Laos and Vietnam in the past. It notes the exchanges of experiences between the two ministries in performing financial management work in the budget, taxation, and treasury sectors. The Lao and Vietnamese finance ministers also discussed positive measures for the implementation of financial and loan cooperation as



stipulated in the memorandum of the 15th meeting of the intergovernmental commissions for economic, cultural, scientific, and technical cooperation between the Lao People's Democratic Republic [LPDR] and the SRV.

The two sides have unanimously agreed to strengthen direct relations and cooperation between the two ministries in the collection of information and the organizing of seminars in the two countries in 1993 and the exchange of experiences in the sphere of financial management. On this occasion, the two sides also signed an agreement on interest-free loans granted by the SRV Government to the LPDR Government for 1993. Signing the said document for the Lao side was Khamsai Souphanouvong, minister of finance, and signing for the Vietnamese side was Ho Te, minister of finance. The signing ceremony was held in the presence of Phao Bounnaphon, minister attached to the Prime Minister's Office, and Boutsabong Souvannavong, governor of the Bank of the LPDR. Also attending the signing ceremony was Nguyen Xuan, ambassador extraordinary and plenipotentiary of the SRV to Laos, along with high-ranking cadres of both sides.

#### **Foreign Minister Departs for Visit to Thailand**

*BK2805022993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 May 93*

[Text] His Excellency [H.E.] Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic [LPDR], left for a friendship visit to the Kingdom of Thailand at noon yesterday. The visit is in response to an invitation of H.E. Prasong Sunsiri, foreign affairs minister of the Kingdom of Thailand. He is scheduled to remain in Thailand until 31 May.

During the visit, H.E. Somsavat Lengsavat will be granted an audience with His Majesty King Phumiphon Adunyadet, pay a courtesy call on Her Royal Highness Princess Maha Chakkri Sirinthon, and meet with H.E. Chuan Likphai, prime minister of the Kingdom of Thailand. H.E. Somsavat Lengsavat will also meet and exchange views with H.E. Prasong Sunsiri, foreign affairs minister. During the meeting, the two sides will particularly discuss ways and means to increasingly promote and expand the existing fraternal relations between the two countries to a new quality. He is also scheduled to hold discussions with his Thai counterpart on international and regional issues of common interest.

#### **Ends Visit, Returns 31 May**

*BK0106044193 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Jun 93*

[Text] His Excellency [H.E.] Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic [LPDR], and his delegation ended a five-day friendship visit to the Kingdom of Thailand and returned to Vientiane at noon on 31 May. The visit was in response to an invitation of H.E. Squadron Leader

Prasong Sunsiri, foreign affairs minister of the Kingdom of Thailand. H.E. Somsavat Lengsavat and his delegation were received upon their arrival in Vientiane by high-ranking officials of the Foreign Affairs Ministry. H.E. Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, was also on hand to welcome the delegation at the airport.

An official of the delegation accompanying H.E. Somsavat Lengsavat reported that the visit to the Kingdom of Thailand on this occasion was very successful and that it has brought satisfaction to both sides. He said: During the visit, H.E. Somsavat Lengsavat held a consultative meeting with his Thai counterpart—H.E. Squadron Leader Prasong Sunsiri—on problems on bilateral ties and cooperation. They discussed means to increasingly promote and develop bilateral relations and cooperation by encouraging the various existing cooperation apparatuses to carry out, ever more efficiently, their duties. They also discussed the problem in the preparations for the third meeting of the cooperation commissions of the two countries, which is scheduled to be held in Luang Prabang Province in August this year.

In addition, the two sides exchanged views on certain outstanding regional issues, such as the situation in Cambodia and the ASEAN meeting which is scheduled to be held in Singapore in July this year.

During the visit to the Kingdom of Thailand, H.E. Somsavat Lengsavat had the honor of paying a courtesy call on H.E. Prime Minister Chuan Likphai. He was also granted an audience with Her Royal Highness Princess Maha Chakkri Sirinthon and his majesty the king of Thailand respectively.

H.E. Somsavat Lengsavat and delegation also visited some royally-initiated projects and historic places in and around Bangkok. This was the first friendship visit to the Kingdom of Thailand by H.E. Somsavat Lengsavat since his assumption of the post as LPDR foreign affairs minister.

#### **PASASON Accuses Thai Columnist of Slander**

*BK0106095393 Vientiane PASASON in Lao 19 May 93 p 2*

[Article by V. Phonchanheuang: "Lao-Thai Friendship Is Not a Cheap Commodity"]

[Text] The Thai SIAM RAT newspaper on 8 May 1993 [date as printed] carried in its Soi Suan Phlu column the text of a document called "The Historic Plan for Liberation of the Northeast, To Be Annexed by Laos."

We presume that because it carried such a strange and bizarre article, that edition of the said newspaper must have sold like hot cakes, bringing a lot of money to its owner.



Why do the columnist and the SIAM RAT newspaper want to sell Lao-Thai friendship at such a cheap price? Lao and Thai peoples who have cherished Lao-Thai relations are extremely indignant at the person who made up this story to undermine the good intentions of our two peoples.

Everyone knows well that the Lao Government and people have never entertained such a thought nor have we ever pursued such a crooked policy toward Thailand. The truth of our good intentions has been well-known in recent years during which neighborly relations between the Lao and Thai peoples have been gradually strengthened and enhanced, as can be clearly seen from the 1979 Laos-Thailand joint communique. The formation of the Joint Cooperation Committees and the General Border Peacekeeping Cooperation Committees between Laos and Thailand, the signing of various other important documents on Lao-Thai relations, and the exchange of friendship visits between top-level leaders down to private and state technocrats of the two countries all testify to the continually growing relations between the two peoples.

Because of this development, ill-intentioned people who are resentful at any smooth progress in Lao-Thai relations have resorted to fabricating false stories with the aim of creating rifts between Laos and Thailand. Nonetheless, people who understand the truth about this development do not find such stories exciting or credible. Many important persons in Thailand have dismissed the said document as a concoction.

For example, Mrs. Sudarat Keyunraphan, deputy spokeswoman of the Prime Minister's Office of Thailand, commenting on the document carried in the Soi Suan Phlu column of SIAM RAT, said: "It should not be a reliable document because the Soi Suan Phlu columnist [M.R. Kukrit Pramot] also cautioned his readers not to take it seriously." The deputy spokeswoman went on to say: "The relations between Laos and Thailand at this stage are very good and so is our cooperation for regional development. The claim made in the document that the Northeast region was a former British colony is also untrue." She said the columnist should be chided for being careless in presenting to the public material which may affect good relations between countries.

General Wimon Wongwanit, Thai Army commander in chief, gave an interview to the THAI RAT and MATICHON newspapers on the subject on 9 May, saying: "The public should not be excited about this document. Do not fall for what is said in the story. The relations between Laos and Thailand are very good at present. There is no reason for Thailand to invade Laos or vice versa."

Lieutenant General Chettha Thanacharo, commander of the 1st Army Region, also noted: "The story in the document is untrue. The public should not believe in such a story spread by ill-intentioned persons."

All this is the true feeling and reaction of some important Thai personalities and those Thai people who have good intentions toward Thai-Lao relations and who do not believe in the fabricated story concocted by the Soi Suan Phlu columnist. As for the Lao people in general, we also have the same feeling and understanding. We believe that truth is truth. Slandering other people will only serve to expose the true nature of the fabricator himself.

#### **Envoy in Phnom Penh Views Cambodia Elections**

*BK2805110393 Vientiane KPL in English 0905 GMT 28 May 93*

[Text] Vientiane, May 28 (KPL)—Lao Ambassador in Cambodia, Mr. Khamphan Simmalavong, yesterday talked to KPL about the elections currently held in Cambodia, saying that as a signatory to the Paris (?peace agreement) on Cambodia, the Lao PDR [People's Democratic Republic], being a neighbor, wished to (?see national concord and democracy) reign in Cambodia and the relations (?of friendship, solidarity, and comprehensive) cooperation between the two countries expanded.

He said he was glad to see a high turn-out at the polling stations throughout the country to elect their (?national assembly members). The high turn-out indicated that the Cambodians had enough of war [words indistinct] peaceful process. He also [word indistinct] upon the role of Prince Norodom Sihanouk's role in leading the people to establish a state of national concord.

#### **Philippines**

##### **Ramos Appoints Acting Finance Secretary**

*HK0306112293 Quezon City ABC-DWET Television in Tagalog 1000 GMT 3 Jun 93*

[Text] Ernest Leung has been appointed acting finance secretary. This came after the Commission on Appointments rejected yesterday the nomination of former secretary Ramon del Rosario Jr.

Leung served as Del Rosario's undersecretary and has long dealt with the World Bank and the International Monetary Fund. It is said that a finance secretary should be known and trusted by the IMF and World Bank to facilitate the approval of financial aid to the country.

[Begin Press Secretary Jesus Sison recording, in English] Ernest Leung should be acceptable to them because he has trained for a number of years in the World Bank and the IMF. [end recording]

Secretary Sison also said there is still a need to await the decision of President Fidel Ramos on who will serve permanently as secretary of finance. Meanwhile, the Freedom From Debt Coalition said it had no complaints against Del Rosario on a personal level. What it is criticizing are the policies and decisions made by the former finance secretary.



### Two Cabinet Members' Appointments Confirmed

HK0206123093 Manila Manila Broadcasting Company  
DZRH in Tagalog 0800 GMT 2 Jun 93

[Text] The Commission on Appointments [CA] today confirmed the nomination of Interior and Local Government Secretary Rafael Alunan III, with one abstention and the rest voting yes.

The CA also confirmed the appointment of Justice Secretary Franklin Drilon, with 17 voting yes, two voting no, and four abstaining.

Finance Secretary Ramon del Rosario calmly accepted the end of his government service after the congressional panel rejected his confirmation. Del Rosario said he felt some disappointment when he was rejected again but added that, on the other hand, he was happy to return to normal life in the private sector.

Earlier, the congressional panel recommended the rejection of Del Rosario's appointment after he refused to divest his holdings in various businesses.

### Ramos Views Korean Trip, Economic Targets

HK0106034093 Manila DZXL Radio Mindanao  
Network in Tagalog 0651 GMT 31 May 93

[News conference by President Fidel Ramos at Malacanang Palace with domestic and foreign correspondents—live; in English; italicized passages in Tagalog]

[Excerpts] [Passage omitted] [Correspondent] Good afternoon, Mr. President.

[Ramos] Good afternoon.

[Correspondent] Your visit to Korea has generated some 12 billion Philippine pesos worth of investments and joint-ventures. How will this jive with your administration's efforts towards making the Philippines a newly industrializing country by the year 2000?

[Ramos] Well, naturally it will help. It will push the effort very strongly. Because what are some of these new ventures that have been entered into by our business sector with their Korean counterparts?

One is a \$1.5 million cement project, which is an expansion of the existing APO [expansion unknown] Cement in Cebu. And this will come on [word indistinct] about the time that we are increasing the electric power capacity of Cebu island because of the inter-connection we are making between Negros Oriental and Cebu island.

Another concerns the manufacture of subcomponents, as well as the assembly of entire cars, between Transfarm and Kia Motors of Korea, and this is for the manufacture of the so-called people's car, *a car which will be of great help to our smaller people*. This is to be marketed at a certain floor price which could be affordable.

The other ventures are in regard to helping study our power situation by, again, a private sector group from Korea—Hyundai is the one; plus the continuing encouragement of the very capable Korean construction companies to look at our offers for BOT [build, operate and transfer] projects, and these are mostly highways and possibly railroads. There is a very important project being undertaken by a Korean group that we saw the day after we arrived in Korea, and this is the great big irrigation system that will join two rivers to irrigate 10,000 hectares in Bohol. This is being done by Hanil Construction.

So, all of these efforts will help push and expedite our economic program.

[Correspondent] A follow up, Mr. President. Speaking of the lessons learned from the Korean economic miracle. Mr. President, how do you view the persistence and insistence of the Korean government in building up the Fu Hang iron and steel complex despite opposition from the World Bank, and that this complex is very successful in Korea? [question as heard]

[Ramos] Because they read their economic situation very correctly, they developed the policies and combinations necessary to implement the program. Then with their determination despite the lack of international financial support, they were able to do it. Of course, all of these happened during the time when Korea had a different political system from the one they have now under President Kim Yong-sam. But it is a tribute to the industry and the determination of the Korean people.

Now, in our case, we are asking Fu Hang to provide us more and more steel slabs and other intermediate iron and steel products which we can further process. We will put value added to provide the raw materials for what I have mention: Car assembly, component manufacture, plus the manufacture of so many kinds of computerware, household appliances, etc., which are needed in the domestic market. [sentence as heard] [Passage omitted]

[Correspondent] Sir, economic managers of the country said they are no longer confident that the country could still succeed in negotiating for an economic program from the IMF, and they said that this is the reason why Cabinet Cluster B has decided to draw up a post-IMF scenario. Can we have your comment, sir, on this?

[Ramos] I was the one that called them to look at other scenarios just in case; but we will still follow the main course of action which is still to get the good house-keeping label from IMF, since this is what will help us maintain our credit worthiness, as well as make the Philippines more attractive to investors.

If you will recall, [words indistinct] the Philippines was able to market \$150 million worth of bonds to the international financial market—the private sector in the international world [as heard]. And there was almost an oversubscription to this \$150 million. This means that



the creditworthiness of the Philippines has improved very much. This was not attempted during the last six or seven years.

Now, in addition to that, the doors and windows for new money, as they are called, available from the international financial market will remain open to us if we continue our effort to stabilize our economy, improve our GDP-GNP showing, and keep down interest rates and inflation rates—which we are able to do.

*These are merely scenarios.* They are just like any sort of contingency planning where you plan for various situations, but you still follow your main program. But just in case, you must have a plan. That is what it is.

[Correspondent] Sir, does this mean that you are also not that confident that you will get that seal of good house-keeping?

[Ramos] I am confident because this is my administration [Ramos and audience laugh]. [passage omitted]

[Cruz] Good afternoon, Mr. President, Benjie Cruz from Business World. NEDA [National Economic Development Authority] is sticking with the plan to have 3.5 growth rate; while the CB [Central Bank], among others, is calling for the scaling down of this target rate saying that the power problem is causing this target to be unrealistic. What is the government final position on its growth target and other plans to change this?

[Ramos] We have agreed on 3.5 as the target. That was taken up in the Cabinet and already reported to you.

[Cruz] Sir, one last [question] or another follow up. Senator Alvarez, in his privilege speech last week, called for the overhaul of the economic policy saying that there has to be a shift from agricultural industrialization mode of development to strength on manufacturing scheme. [sentence as heard] Can you comment on this?

[Ramos] You know he is probably talking about the end product after our medium-term Philippine Development Plan which is currently being implemented. In other words, while we are now here in 1993 and going through the procedures of industrializing the country at the end of the six-year period, he is probably looking at the end product immediately. [sentence as heard] Now, you must understand that we must first develop our capability step-by-step. Why are we not able to go into what he wants right away, year one now, year two next year? Because we are right now importing most of the raw materials that go into our export products. But yet how can you import and import when you want also to save and conserve your exchange, and at the same time you want to value add to your export products more than just Filipino labor. So, what is the program? Very simple. In the medium-term development plan, we modernize our agriculture—that's why the Department of Agriculture has come up with this key production area approach—so that we can be more efficient and more productive in terms of value producing per hectare of land per year.

Now, what is part of that? It is developing raw materials to be put into our export products. Otherwise, you will end up just packaging and assembling air conditioners and refrigerators for re-export, but the raw materials come from some other country. *So, what advantage do we have in this practice?* Very little, because we are not getting any profits from raw materials. So, if we can ask agriculture to produce the raw materials that will go into the majority of our export products. That is not only labor that you have inputted [as heard], but also the products of the farmers, the products of the small and medium-scale entrepreneur who have probably made some components or some assemblies of the total export products. So, this is what we are trying to do, and we are trying to gradually shift the pattern of our labor force from what is predominantly a rural work force—because that is the nature of Philippine labor, mostly farmers and fishermen working in agriculture. We must start training some of them gradually but steadily so that they learn new skills and transfer them or their children to the industrial sector. And as we reduce those dependent on farming, we make farming more efficient having increased our skilled hands in the industrial sector.

You cannot just go directly into what Mr. Alvarez says when you do not have the raw materials, you do not have the capital, you do not have the skilled labor, you do not have the factors of production. But he is correct in saying that that is where we want to be eventually.

Now, Korea went through that course, from a 60 percent rural labor force to about 20 percent. But then that meant a shift to the industrial sector of labor. The same goes for China, Japan and the U.S. I do not think we can jump directly into that; but we will do it in due time.

[Cruz] Sir, just one related question.

[Ramos] Sorry to give a very long answer to your question. That was the whole rationale behind our program.

[Cruz] Sir, in your speech before the Pacific Basin Economic Council last week in Korea....

[Ramos, interrupts] I am glad you read it.

[Cruz, continues] ...you joined the cause of Prime Minister Mahatir and President Kim in calling for the removal of trade barriers in Asia towards the creation of one homogeneous trade block in the region. Sir, what specific measures will the Philippines commit in the reduction of these trade barriers?

[Ramos] Well, as you know, we are into AFTA [ASEAN Free Trade Agreement], which is a commitment to go down to zero percent, although we are saying five percent, tariff in the space of 15 years starting in 1993. So that is being brought down meter by meter. We also have short-listed already three items to be given some tariff protection during that interim period, and so are the other countries in ASEAN. [sentence as heard]



Now, we told this to them because they must also in turn reduce the tariffs on bananas, papayas, *and our other products*. We told them that the Filipino banana is the best in the world, and that this was evidenced by a very beautiful picture of a banana in the Korean newspapers on the day that we attended the conference.

[Cruz] Thank you, sir. [passage omitted]

[Correspondent] *A number of people have lost their jobs due to the ongoing power crisis, causing an increase in our unemployment rate. What steps do you plan to take in order to curb the increase in the unemployment rate?*

[Ramos] Well, we are doing many things at two levels. *First of all*, we are bringing in more investment so that we can generate jobs in a hurry through industrialization, through trading, through tourism. The second *involves those in the lower strata of society*. The small and ordinary people must also be given their chance for production through their private enterprise. *This is the reason why we are extending our assistance to small and medium-scale entrepreneurs, small- and medium-scale farmers, and cooperatives. How are these things manifested?* Well, there's the guarantee fund for small- and medium-scale entrepreneur, *those we brand as small smokes. This measure was already passed in 1991, but only during this administration was it implemented.* We are encouraging the creation of cooperative rural banks, apart from ordinary rural banks, and for both kinds of banks, to adopt the so-called [word indistinct] system, where collateral is minimum, but it is the word of honor of five members who must cooperate, to help each other, and at the same time make sure that their amortizations are paid on time. This I have explained to various rural bank communities.

Another one is to really maximize the livelihood assistance efforts of the various departments, as well as the government financing institutes. *These already exist.* We also created an export-import operations division at the Development Bank of the Philippines to facilitate the exporting and, of course, importing for raw materials, in other words, manufacturing in the Philippines. These are all new initiatives that were not undertaken before, we are doing it now. [passage omitted]

### Thailand

#### Wimon Terms U.S. Senator's Remarks 'Insult'

BK0306014593 Bangkok THE NATION in English  
3 Jun 93 p A4

[By Sonny Inpharat and Marisa Chimprapha]

[Text] Army Commander in Chief Gen Wimon Wongwanit yesterday said a US senator's accusations that Thailand was doing business with the Khmer Rouge [KR] was probably based on the senator watching the movie "Killing Fields" too many times.

"Thailand has been treating all the Cambodian factions equally since the signing of the Paris Peace Accords in 1991 and to say that we are supporting the Khmer Rouge more than others is an insult," said Gen Wimon.

On Saturday, Senator John McCain, an Arizonian Republican, said the United States can best support the government that comes out of Cambodia's elections by pressuring Thailand to stop doing business with the Khmer Rouge.

"I think one thing we could do is to put more pressure on Thailand to be less accommodating to the Khmer Rouge. Stop the gem trade, stop the timber trade," said McCain while he was in Phnom Penh to show support for the UN-sponsored elections in Cambodia.

"The Thais are traditionally our friends. Maybe some of our military-to-military contacts would be helpful in persuading the Thai military to halt the trade," he added.

Speaking to local and foreign reporters at a lunch hosted for them by the Royal Thai Army at the army auditorium, Gen Wimon said McCain made the statements as a result of watching the award-winning movie "Killing Fields" too many times.

At a question and answer session earlier, the Army Director for Intelligence Maj Gen Thirawat Phutthamanon in responding to McCain's statements said there was generally a misconception that the army has a "special" relationship with the Khmer Rouge.

"This is not true. We no longer support them, though in the past the support we gave the Khmer Rouge was when they were in the coalition government recognized by the United Nations," he said.

#### Says No SRV Intervention in Cambodia

BK0306015793 Bangkok BANGKOK POST in English  
3 Jun 93 pp 1,3

[Text] Army Commander-in-Chief Wimon Wongwanit yesterday urged Prime Minister Hun Sen's Cambodian People's Party [CPP] to accept the United Nations-brokered election results in his country.

Gen Wimon also voiced support for the inclusion of the Khmer Rouge in the new Cambodian government, saying this could help pave the way for a national reconciliation government which could bring peace to Cambodia.

"A government of national reconciliation cannot be achieved if the Khmer Rouge is excluded," the 58 year-old commander told a select group of Thai and foreign journalists yesterday at a lunch hosted by the Army at the Army Auditorium.

The army commander said he had predicted before that the ruling party of Hun Sen might reject the results of the election.



"One has to admit his loss when the election results are announced. This is democracy," he said.

Gen Wimon urged Hun Sen to accept the outcome of the poll as he thought the election was free and fair and he did not think a new election would be possible.

"A new election is impossible as it will demonstrate the failure of the UN. UNTAC [UN Transitional Authority in Cambodia] has to come out and endorse the correctness of the election."

He also said he saw no justification for the CPP's claim that there were irregularities during the election.

Gen Wimon said he was still optimistic the present political situation in Cambodia would not turn violent.

He was also confident Prince Norodom Sihanouk could help establish peace in the country if he was appointed leader of the reconciliation government in which, he insisted, all four factions should be included.

"I've stated several times before that the Cambodian problem could be resolved by its own people and not outsiders. If they can establish a reconciliation government it might help resolve the problem.

"I still believe that they can settle their differences."

But he allowed that his prediction might not prove correct if there was outside interference from third countries.

General Wimon said he raised the problem of Vietnamese intervention with senior Vietnamese military officials recently and they gave him an assurance Hanoi would not intervene militarily.

He said the Army had fostered a better understanding with Vietnam since he became commander-in-chief and he was confident the bilateral relationship would strengthen in the future.

Gen Wimon said the most important issue was for the four factions to settle their dispute peacefully.

"If they all take national interests into account and not just their own interests, I firmly believe the remaining problems can be tackled."

He said the Thai Army had not supported the Khmer Rouge and he had never personally met Khmer Rouge leader Pol Pot.

He said the Western media had always faulted Thailand for assisting the guerrillas.

The army chief also said he doubted whether all the skulls put on display were the victims of Khmer Rouge atrocities.

"Can anybody tell if some of them are not the victims of American bombings in Cambodia?" he asked.

Gen Wimon also said he did not think Vietnam had the potential to invade Thailand.

"We are now on good terms. The threat now is not military, but economic competition."

He also rejected the concept of a regional security group suggested recently at a seminar in Singapore, saying it was unnecessary in the face of warming relations between countries in the region.

Gen Wimon then gave an assurance that most members of Chulachomklao Royal Military Academy's Class 5, his own class, were not involved in business.

"It is a matter of individuals and has nothing to do with the class," he said.

He said he had no business interests.

### **Prasong Discusses UNSC Meeting on Cambodia**

*BK0306031393 Bangkok Radio Thailand Network in English 0000 GMT 3 Jun 93*

[Text] UN Security Council [UNSC] members will host a meeting in Phnom Penh this month to discuss Cambodian situation after the election and how the government will be formed. Foreign Minister Prasong Sunsi said the meeting is planned to be on June 17 and 18. Participating in the meeting will be UN Security Council members, which are the United States, France, Britain, China, and Russia, and other countries involved including Japan, Australia, Germany, and Thailand. Squadron Leader Prasong said ASEAN and European countries are satisfied with the election in Cambodia, which is concluded on May 28. The foreign minister said the United Nations Transitional Authority in Cambodia, UNTAC, will announce the results of Cambodia's general election within June 3.

Meanwhile, Defense Minister General Wichit Sukmak said the ministry is prepared to solve any possible problems at the Thai-Cambodian border after Cambodia's election, be that bandits or illegal immigrants.

### **Gem Trade 'Badly Affected' by UN Ban**

*BK2805015993 Bangkok BANGKOK POST in English 29 May 93 p 17*

[Text] THE United Nations' resolution banning trade with the Khmer Rouge has badly affected gem traders in Chanthaburi and Trat provinces. Daily trading which used to soar above 20 million baht is now worth just few million. Gem traders in Chanthaburi and Trat plan to petition Prime Minister Chuan Likphai when he visits the provinces today. Trat Gem Trading Association adviser Chan Kantikachonsan said gem traders and all people in gem mining in Pailin province of Cambodia will submit a letter to Premier Chuan when he arrives. He said they will ask for the prime minister to relax the



ban by allowing miners to operate their machinery along the Thai-Cambodian border in Trat and Chanthaburi to ease their problems.

Thai gem miners and traders have suffered badly since the ban was implemented by the UN to cut the financial lifeline of the Khmer Rouge, Mr Chan said. Since the UN ban was enforced, gem trading has almost died out completely, particularly in Bo Rai district opposite Pailin. People in Bo Rai live on gem trading and mining in Pailin and in the Chong Muen Dan Pass. Many mines have had to be closed because they could not operate their machinery owing to a shortage of petrol since it was barred from Khmer Rouge-controlled areas.

More than 20 million baht used to circulate in the gem market covering the two provinces. But now trade is worth only three million to four million baht. He said that most gem traders have left Trat and Chanthaburi for the northern provinces of Mae Hong Son and Chiang Rai to buy raw gem stones from the Burmese. But most traders have not been successful in this because Burmese gems are not as beautiful or popular as those from Cambodia.

Mr Chan said that there were only a few thousand Thai miners still operating in Cambodia, compared with the period before the UN ban when there were more than 10,000. Previously 35 mines were granted Khmer Rouge concessions to operate. But only a few are in operation because they have stored petrol to run their machinery. The estimated loss to the gem stone industry and other related business since the ban started would be more than a billion baht.

Each mechanised mine had required investment of more than 10 million baht. When they could not operate, the damages would exceed 1,000 million baht, he said. The Premier should allow mines which use machinery to operate as usual. The Government only allows small manual mines to continue operating four to five kilometres from the border.

Mr Chan said the immediate closure of the border to enforce the UN ban was abrupt to the extent that miners were not able to adapt or find other jobs. He said that because of the ban and the difficult access to the mines five to twenty kilometres into Pailin, many miners continued to slip across the border on foot to avoid the forces of the United Nations Transit Authority in Cambodia (UNTAC).

The Khmer Rouge sympathised with the Thai miners and had agreed to lower concession fees, for example from one million baht on a six-month concession to only 200,000 baht for a mechanised mine. The manual mining fee would drop to 100 baht per pit.

### **Ministry Seeks To Renegotiate U.S. Textile Accord**

*BK0306103893 Bangkok THAI RAT in Thai 2 Jun 93 p 3*

[Text] According to our reporter, the Commerce Ministry is preparing for talks with the United States for a renewal of the Thai-U.S. textile agreement, which will expire this year. The ministry wants talks held earlier than originally planned in August because of the present large increase in textile exports to the United States. Thailand will not be able to borrow from next year's quota unless the agreement is renewed.

Moreover, due to the quota being exceeded at a time when exports are high owing to favorable import markets, the price of government-allotted textile export quotas to America is very expensive, especially for items with high demand such as 338/339, 638/639, and 347, 348, and 349, which are knitted shirts and pants, popular items in great demand all year. The shortage of unused export quotas on such items is because the quotas had been used to make up for the quota used by Thai firms faking documents some time ago. And most of the items exported based on faked documents belonged to the abovementioned categories. When the export quota was used up, there was not enough left for present exports.

A request has been made to the United States that it speed up the renewal of the contract, making it earlier than October so next year's quota to be borrowed for use this year could be used in the 11th and 12th months for clothing which is in high demand before the festive season. Anyway, the United States has not appointed a leader for the negotiations, and there is a possibility that [Commerce Minister] Mr. Uthai [Phimchaichon] would like to ask for a broader base for Thai exports.

During the first four months of this year, textile exports to the United States have increased because of the improved U.S. economy. Meanwhile, exports to the EC have slowed because of the economic situation there and because of competition from China and Indonesia. It is believed that in the ninth month when leftover quotas are accepted for return to the government, many exporters will return their quotas to the EC because they could not find orders for exports. Otherwise, they will be fined for not returning their quotas.

### **Officials Meet Lao Foreign Minister 28 May**

*BK2805121993 Bangkok Voice of Free Asia in Thai 1030 GMT 28 May 93*

[Text] Lao Foreign Minister Somsavat Lengsavat, who is currently on an official visit to Thailand from 27 to 31 May as a guest of the Thai Foreign Ministry, paid a courtesy call on and held a consultative meeting with Foreign Minister Squadron Leader Prasong Sunsiri at about 1000 today.

At a joint news conference after the meeting, the Thai foreign minister said the two foreign ministers had discussed the efforts to further strengthen good relations



and cooperation between the two countries. Other issues of discussion included the opening of an additional border crossing point between Vientiane and Loei Province. Consultations will be held to decide when the crossing point should be opened. The two sides also discussed cooperation in narcotics suppression. The Lao side reaffirmed its strong determination to render cooperation in this area and the two countries will later sign an agreement in this connection. The two ministers have agreed to hold the third meeting of the Joint Commission on Thai-Lao Cooperation in August. The Lao side will host the meeting in Luang Prabang. The exact date and time of the meeting will be later decided. Several issues on the agenda include the electric energy agreement. As for the refugee problem, Thai, Lao, and UNHCR [UN High Commissioner for Refugees] officials will later convene a meeting to discuss assistance for Lao refugees after their return home, which must include necessary items for daily livelihood, farmland, and vocational training. All parties must jointly prepare to cope with the problem. The Lao side is ready to take the remaining refugees in Thailand back home.

The Lao foreign minister said he was very pleased to visit Thailand soon after his appointment and get familiar with his Thai counterpart. He noted that during the meeting, the two sides have expressed their desire to further expand relations and cooperation between the two countries in all areas for the interests of the Thai and Laos peoples.

The Lao foreign minister also talked about the meeting now being held in Thailand on the development of communications networks between Thailand, Laos, Burma, and Southern China, saying communications is one of the areas to which the Lao Government has attached significance because communications development is necessary for national development. He added that the Lao Government has allocated huge budgets for road construction. He disclosed that the construction of the bridge across the Mekong River between Nong Khai Province and Vientiane is nearly completed and the bridge will be conducive to economic development and trade between the two countries. Meanwhile, the two countries have not yet decided the venue for the construction of the second bridge across the Mekong River. The matter will be considered after the construction of the first bridge is completed.

Asked about Cambodia, the Lao foreign minister said Cambodia is a close neighbor of Laos and Thailand and, for this reason, both Laos and Thailand want to see peace and reconciliation in Cambodia with good relations with all countries. The high voter turnout rate indicated that the Cambodian people have exercised their right as the owners of the country.

Before ending the news conference, the Lao foreign minister said the current Laos' foreign policy has remained unchanged. Laos adheres to the policy of peace, independence, friendship, cooperation, and friendly relations with all countries on the basis of

respect for independence and sovereignty, equality, and mutual interests, and peaceful coexistence. Laos will give priority to the promotion of good relations and cooperation with neighboring countries in line with the reform policy.

#### **Prasong, Australian Minister Discuss Cambodia**

*BK0206083393 Bangkok Radio Thailand Network in Thai 0530 GMT 2 Jun 93*

[Text] Australian Immigration Minister Nick Bolkus, who is currently on a visit to Thailand, paid a courtesy call on Foreign Minister Squadron Leader Prasong Sun-siri at the Foreign Ministry this morning. The foreign minister said the Australian minister expressed interest in the regional situation, especially Cambodia. He asked Minister Prasong about the problem of Cambodian refugees and whether Thailand expected another influx. Prasong said he did not think there would be another event similar to that in 1975 which saw a large influx of Cambodian refugees fleeing into Thailand. The problem in Cambodia now is small and is an internal conflict with no other countries getting involved or giving support.

Foreign Minister Prasong said he also talked with the Australian minister about the election in Cambodia—the result of which is pending as the vote-counting is still going on—and also about the charge made by a certain Cambodian faction that the election was not clean. He said the final results of the Cambodian election should be known tomorrow. The results obtained now are partial ones from some provinces and therefore there was a wide margin between the winners and losers.

Concerning fear of a takeover in Cambodia after the election, the foreign minister said such anticipation was unwarranted; the United Nations, which is supervising the election, would not allow it to happen. Besides, Prasong said, he believed that Prince Sihanouk would play his role in reaching a compromise among the Cambodian factions in order to achieve national reconciliation. Prasong said he had learned that Prince Norodom Sihanouk planned a dinner get-together for Cambodian leaders in order to exchange views on forging national unity. The foreign minister said he believed the United Nations would be successful in its mission of organizing a smooth election in Cambodia which was free, fair, and acceptable to all.

#### **Bolkus Discusses Burmese Refugees**

*BK0306024793 Bangkok BANGKOK POST in English 3 Jun 93 p 6*

[Text] Australia plans to start within the next two months immigration procedures for Burmese refugees it has agreed to resettle from Thailand, Australian Immigration and Ethnic Affairs Minister Nick Bolkus said yesterday.

"The refugees will be taken under a special humanitarian programme which was scheduled to be launched some months ago," he said.



The asylum programme had been under negotiation since late last year in Canberra but was delayed in the light of formulation of legislation in Australia.

Australia had also offered scholarships to 10 Burmese students under a programme announced earlier this year.

Mr Bolkus reiterated that 50 Burmese would be among the 13,000 refugees who will arrive in Australia from all over the world in the next fiscal year.

He made the disclosure after a 30-minute meeting with Foreign Minister Prasong Sunsiri on the occasion of his first overseas visit in his capacity as immigration and ethnic affairs minister.

"We discussed the question of resettlement of various people in Australia in the context of other issues which we have in common," Mr Bolkus said.

He cited the Comprehensive Plan of Action for refugees drawn up in Geneva in June 1989 as well as the situation in Cambodia.

Sqn Ldr [Squadron Leader] Prasong said he told Mr Bolkus that the situation in Cambodia and beyond was unlikely to lead to a refugee influx into Thailand as was the case in 1975.

Asked about the Cambodian elections, Sqn Ldr Prasong indicated some concern over the possibility of some parties refusing to accept the results.

But he urged reporters to wait for the official announcement, saying "don't think too much", when asked if he feared a coup d'etat by Phnom Penh should the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] emerge the winner.

"The situation is unlikely to be that serious. I think they (Cambodian parties) are able to settle the problem and to reach national reconciliation," he added.

He said he hoped that the results announced by the United Nations would be "reliable."

## Vietnam

### 'Public Opinion' Said To Criticize Hue Unrest

BK0206145993

[Editorial Report] Hanoi Voice of Vietnam Network in Vietnamese at 1100 GMT on 2 June carries an 11-minute report by station correspondent Tran Trong Chuy and some collaborators of the Thua Thien-Hue radio station "reflecting the condemnation by Thua Thien-Hue Buddhists of the actions by some monks of the Linh Mu Pagoda in Hue City which sabotaged order and security and broke the law."

The report begins by saying: "Dear friends, the sabotaging of order and security, the burning of a government vehicle, and the causing of a traffic jam on the southern

side of the Phu Xuan Bridge by some monks of the Linh Mu Pagoda on 24 May has damaged the good reputation and honor of true clergymen. Those actions are not in conformity with religion and heavily tarnish the noble idea of 'Better Life, Better Religion' of Vietnamese Buddhism. Therefore, those actions have been condemned by public opinion."

The report goes on by reporting that in recent days, students of the Medical College and Teachers College, the Students Federation, the Fatherland Front, the Trade Union Federation, and the War Veteran Association of Thua Thien-Hue Province, including high-ranking clergymen such as Venerable Thich Giac Quang, Thich Duc Phuong, and many Buddhist followers, have voiced their disagreement with and condemnation of the aforementioned actions that broke the law.

It continues by reporting the recorded speeches of a monk calling for the ending of such action, a poet citing the unreasonableness of the monks' actions, and many Hue City Buddhist followers condemning the action.

The report concludes by saying that "some of the aforementioned opinions are not really complete, but they partly reflect the hearty and correct attitude of the Hue City Buddhists, who are against the sabotaging of order and security and the breaking of the law by some monks of the Linh Mu Pagoda, a pagoda of nearly 100 pagodas in this city. This is a blind action performed under the direction of instigators to cause division among religions and damage to the great national unity. According to most of the public, including the Buddhists, the instigators, together with the lawbreakers, must be found and punished by the law."

### Spokesman Warns West Against Human Rights Pressure

BK0306154493 Hong Kong AFP in English 1043 GMT  
3 Jun 93

[Text] Hanoi, June 3 (AFP)—Vietnam said Thursday [3 June] that it was ready for "open-minded dialogue" on human rights but warned Western countries not to impose their standards on Asia.

"Vietnam's stance is for open-minded dialogue on the issue of human rights," Foreign Ministry spokeswoman Ho The Lan said.

"In the meantime, it hopes that Western standards of human rights should not be imposed on the East and that the exercise of human rights should be based upon concrete historical, cultural, traditional, economic, and social conditions."

Lan was responding to a question about Vietnamese Prime Minister Vo Van Kiet's trip last month to Australia, where he had talks with a delegation concerned with the human rights situation in Vietnam.

Lan meanwhile announced that Deputy Foreign Minister Le Mai, one of Hanoi's most able diplomats, would



attend a congress on human rights organized by the United Nations from June 14 to 25 in Vienna.

### **Article Says Rights Supporters Seek To 'Topple' Regime**

*BK0306020293 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 2 Jun 93*

[Text] Dear friends: Right now the hostile forces of the Vietnamese revolution, and the Western mass media are repeatedly, day and night, trying to blow up the issue of human rights in our country. What is their main aim? The NHAN DAN newspaper carried an article by Dinh The Huynh discussing this matter.

The author argues that the ultimate aim of those who intentionally blow up the issue of human rights in Vietnam is to topple our regime by the following strategies:

Politically, to impose a social regime that is against the aspirations of the majority of our people; socially, to impose the democratic standards of their own perceptions; and economically, to force us to transfer to a market economy by way of hasty privatization, ignoring all social disorder as well as our unique circumstances.

### **Further on Article's Criticism**

*BK0306020493 Hong Kong AFP in English 1118 GMT 2 Jun 93*

[by Andrew Sherry]

[Text] Hanoi, June 2 (AFP)—Hanoi lashed back Wednesday [2 June] at criticisms of its human rights record, saying that they stemmed from "colonialist" and "cold war" motives rather than genuine concern for human rights.

The article in the Communist Party daily NHAN DAN came the day after Vietnamese television played unprecedented footage of a violent protest led by Buddhist monks May 24 in Hue, in sign that authorities may be planning to prosecute those involved.

It also came as a Ho Chi Minh City court reportedly prepared to hear the appeal of Doan Viet Hoat, a former Saigon academic who was sentenced in March to 20 years in prison for publishing the dissident "Freedom Forum" newsletter.

The U.S.-based human rights group Asia Watch has called for international observers to be present at Hoat's appeal Thursday, but Hanoi officials responded to AFP's request to attend by saying they could not confirm the date.

The NHAN DAN charged that "hostile forces" were trying to impose their own social, political and economic standards on Vietnam.

This includes "obliging us to adhere to a market economy through massive privatization (of state enterprises), despite actual conditions in our country," it said.

While some critics are legitimately concerned with human rights, most are simply exploiting the issue to attack Vietnam, the daily said.

"These are forces who retain vestiges of the colonialist mentality and have not abandoned their bad idea of colonizing and intervening grossly in the internal affairs of other countries," it said.

"Nor have they abandoned their cold-war maneuvering."

France and other European countries have repeatedly urged Vietnam [to] free political prisoners, but have balanced their criticism with support for Vietnam's diplomatic and economic integration into world community.

What is perhaps more alarming for Hanoi is to hear criticism of its human rights record mounting in the United States just as Hanoi fulfills the conditions set out in the 1991 U.S. "road map" for normalization.

The road map called for Vietnam to support the Cambodian peace process, cooperate in accounting for missing American servicemen and free the remaining Saigon officials who at the time were in re-education camps, but it made no other mention of human rights.

"The final goal of those who inflate the human rights issue in Vietnam ... is to provoke political instability, even to the extent of violent maneuvers to seize power if conditions allowed it," the NHAN DAN said.

The article cited reports on the self-immolation of a Buddhist monk in Hue were an example of distortion, saying there was no evidence that the man who burned to death on May 21 was a monk.

State-run television broadcast footage Tuesday night of a violent protest led by Buddhist monks three days after the incident, probably the first time the channel has shown scenes of domestic civil unrest.

The monks and local residents attacked, tipped over and burned a municipal Landcruiser that they apparently believed was carrying the senior monk of the Linh Mu Pagoda, Tich Tri Tuu, off to jail.

Vietnamese authorities denied Tich Tuu had been arrested, and the television showed him meeting peacefully with city authorities to discuss the immolation incident.

The footage was interspersed with interviews with monks from the state-approved Vietnamese Buddhist Church, academics and others condemning the unrest led by "Buddhist extremists" and calling for them to be punished.



Vietnamese observers said they saw the broadcast as a possible prelude to a crackdown against the leaders of the unrest.

While the practice of Buddhism has been liberalized in the past two years as part of Vietnam's "renovation" policy, leaders of the Hue-based Unified Buddhist Church are resisting integration into the Vietnamese Buddhist Church, which operates under the wing of the Communist Party's Fatherland Front.

The NHAN DAN acknowledged that there was some room for improvement in the human rights situation in Vietnam, which is "not surprising in an under-developed country that has suffered as heavily from war."

But it said Vietnam's own people and freedom fighters were best qualified to speak about the issue, adding that that "all attempts to erase the Vietnamese people's right to self-determination will be defeated."

#### **Official Assesses State of National Economy**

*BK0106163093 Hong Kong AFP in English 0752 GMT  
1 Jun 93*

[By Michael Gavin]

[Excerpts] Hong Kong, June 1 (AFP)—Earlier, over-optimistic predictions that Vietnam could become a high-volume, low-wage exporter of cheap consumer goods in the next few years were downplayed at a forum for potential investors here Tuesday [1 June].

Even if the U.S. economic embargo were lifted, Vietnam could offer little to manufacturers in the short term and must concentrate on developing natural resources and building its infrastructure, Vietnamese officials and foreign businessmen said.

Labour-intensive manufacturing would be of tremendous help to Vietnam as it needs to create an estimated one million new jobs annually for its growing population, but Hanoi has no choice but to take a slower approach, they said.

Vietnam has only modest expectations over the next few years in manufacturing, conceded Nguyen Van Ich, vice chairman of Vietnam's State Committee for Cooperation and Investment.

"The manufacturing sector is very weak. So at this time, the priority is in the domain of the transformation of primary products, food or natural resources," he said.

Although the minimum wage "is not high" at 30 to 35 U.S. dollars per month, Nguyen told AFP that Vietnamese-based assembly and light manufacturing concerns would still have a tough time competing with their Asian neighbours.

Infrastructure problems are forcing Vietnam to look primarily to the resource sector to stimulate skills and

capital formation and generate capital, Nguyen and conference participants said.

The petroleum, mining, power generation, fertiliser and cement sectors will all get priority through 1995, Nguyen said, with foreign investment and aid crucial to these and related infrastructure projects.

"The key is the liberation of funds" from bodies like the World Bank and the Asian Development Bank (ADB) which would be used to develop what Vietnamese State Planning Committee manager Ho Quang Minh called the "social and economic infrastructure." [passage omitted]

According to Vietnamese sources, manufacturing accounted for less than one-quarter of the 4.6 billion dollars in investment approved by Vietnam since the beginning of the country's "doi-moi" liberalisation policy about five years ago.

Petroleum, services, tourism and communications projects make up almost all the rest, and Nguyen admitted a number of Hong Kong and other firms—many thought to be geared toward manufacturing—have indicated they will not be proceeding with their projects, at least in the short term.

Nguyen indirectly acknowledged the fear, expressed by a number of other Southeast Asian countries, that China's exceptionally rapid economic growth is attracting investment they had hoped to get.

Vietnam estimates it will require some 40 billion dollars in aid and investment over the next several years.

#### **Amendments to Investment Law Announced**

*BK3005160893 Hanoi Voice of Vietnam in English  
1000 GMT 27 May 93*

[Text] Coming next on the Voice of Vietnam is "Vietnam Economy," which will bring you outstanding points of amendments to the Law on Foreign Investment in Vietnam.

The newly promulgated decree says:

First, all enterprises established in accordance to the Law on Private Enterprise, or the Law on Company, are entitled to directly carry out the operations relating to cooperation and investment with foreign parties, in various fields of the national economy except the prohibited industries stipulated by the laws of Vietnam.

Second, it provides strict regulations on the capital contribution for a joint venture enterprise, first of all, of the sources of owned capital, and other capital of domestic enterprises, and individuals to keep a reasonable share in the legal capital of a joint venture enterprise. When it is necessary to contribute capital in the form of natural resources, especially of land, water surface, sea surface, the contributions must be allowed by the competent office of Vietnam. This regulation



means to push up the exploitation of all domestic potentials in cooperation with foreign parties, and at the same time, prevent careless use of the country's natural resources.

Third, to increase the share of capital contribution of Vietnamese parties in the enterprise with foreign-invested capital, the decree stipulates that for joint venture enterprises when signing joint venture contracts, the contracting parties must stipulate the time at the share for the increasing Vietnamese parties' capital contribution.

Fourth, the duration of the enterprises with foreign-invested capital might be stipulated in accordance with Article 15 of the Law on Trade Investment, that the duration of each project will be decided by the government. They will now exist 70 years in accordance with the regulation of the Standing Committee of the National Assembly. The duration of each specific project must be approved by the State Committee for Cooperation and Investment.

Fifth, regarding the opening of bank accounts by enterprises with foreign invested capital, the new decree stipulates that in some specific cases, if the lender requires the borrower to open an account in a bank in foreign country, it (?must be) accepted by the state bank of Vietnam, and the enterprise will be entitled to open the account in that bank.

Sixth, the matters relating to the export processing zone and the bill operate transfer contracts will be the object of separate regulations of the government.

Seventh, the decree stipulates the necessary solutions to protect investment. The amendments, in addition to the Law for Investment, means to improve the laws and the investment environment. However, some amendments may injure the investors, in comparison with the provisions in the investment licenses and business licenses all of the issue. [sentence as heard] In such cases, the state must have relevant policy to ensure investor's interests, consider the resulting damages of the investors as loss, and solve the problem in accordance with the regulation in Point 2, Article 27 of the Law on Foreign Investment.

And finally, the most outstanding point of this decree is the regulation concerning income tax. On the basis of the Law on Foreign Investment, the decree has simplified the levels of income tax to (?four). Among those, some levels have been stipulated not on the basis of investment form [as heard], but the needs of micro-scale adjustment to trade [words indistinct] foreign investment to the key fields and industries of the national economy, and to the respective localities.

And those were outstanding points of amendments to the Law on Foreign Investment in Vietnam.

### **Tourism Industry Attracts Foreign Investment**

*BK3005063693 Hanoi VNA in English 0558 GMT  
30 May 93*

[Text] Hanoi VNA May 30—The hotel, tourist industry in Vietnam is a permanent attraction to foreign investors.

According to official statistics, investments in the smokeless industry now account for 14 percent of the number of all foreign-invested projects and 20 percent in terms of investment capital. Tourist officials said the country had launched 70 projects involving trading in hotels, villas and package tours with a total investment capital of 960 million US dollars, 68 percent of which coming from the foreign partners. In this harsh competition Hong Kong businessmen have gained a clear edge, with 29 projects representing 41 percent of the total number. Next are French and Singapore investors, each getting 10 percent of the share. Mr Nguyen Nhu Tho, deputy general director of the General Department of Tourism, quoted by VIETNAM NEWS as noting that joint venture with foreign partners is the most popular form (91.4 percent) while 100 percent foreign invested projects and contractual business cooperation account each for just 4.3 percent. Projects at over 10 million US dollars each make up 36 percent, and those at 3 million dollars account for 47 percent. Officials said foreign investment has greatly helped in overcoming the great shortage of international standard rooms. Of the 70 projects, 14 hotels are operating commercially, with 966 international standard rooms, 129 of them in Hanoi, 744 in Ho Chi Minh City and 93 in the Vung Tau seaside resort town. Moreover, jobs have been provided to 3,000 workers in the hotel and tourist industry and to tens of thousands of construction workers. Through these projects, Vietnam has also acquired higher organisation and management skills. But all is not well yet. In the last five years at least 19 projects have had their licences withdrawn or have been terminated prematurely. The main reason was the wrong choice of foreign partners: not a few were unable to support themselves financially or were just acting as brokers seeking quick profits by reselling their licenses to others. From Vietnam, the main obstacles were the poor legal environment, complicated procedures, bad infrastructure, lack of skilled staff and master plans. Addressing a conference to review five years of foreign investments in the hotel and tourist industry, Mr Tho said results were encouraging though still quite modest. The tourist industry, he said, is trying hard to become a spearhead of the national economy. He predicted a sixfold increase in the number of foreign tourists in the year 2000 as compared with 1992. In 1995 alone, about one million visitors will come to Vietnam. To accomodate the increasing flow, 23,000 international standard rooms are planned for the next two years and 58,000 for the year 2000. A key objective to attain next year is to map out master plans for 10 major tourist areas



to attract both domestic and foreign investments. Officials, however, maintained that 100 percent foreign invested projects in the tourist industry should not be encouraged.

### **Presidential Office Promulgates Two Regulations**

*BK2905091193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 May 93*

[Text] A correspondent of the Vietnam radio station reports that this morning in Hanoi, the Presidential Office held a news conference to introduce an order of President Le Duc Anh to promulgate the Regulation on Procurators of the People's Organ of Control and the Regulation on Judges and Jurors of the People's Courts. The regulations were passed by the National Assembly Standing Committee on 14 May 1993.

Mr. Nguyen Viet Dung, director of the Presidential Office, chaired the news conference. Comrade Pham Hung, chief justice of the Supreme People's Court, and Vu Duc Hien, deputy chief of the Supreme People's Organ of Control, presented the main contents of the two regulations.

Also on this occasion, the National Assembly Standing Committee issued Resolution No. 37 regulating some points in the implementation of the Regulation on Judges and Jurors of the People's Courts. The full text of this resolution will also be carried in daily newspapers.

### **Vu Oanh Attends Agricultural Union Congress**

*BK0306134393 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Jun 93*

[Text] On 1 and 2 June, the trade union of the Vietnamese agricultural and food industry sector held a congress of delegates to evaluate its activities during the 1991-92 two-year period and to discuss guidelines and tasks for the 1993-95 period. Attending the congress were Comrade Vu Oanh, member of the party Central Committee Political Bureau; Comrade Bui Thi Hau, vice president of the Confederation of Vietnamese Workers; and some 300 delegates representing trade unions of all enterprises, corporations, and state farms belonging to the agricultural and food industry sector throughout the country.

In the recent past, the agricultural and food industry sector has experienced numerous difficulties resulting from the lack of market for its products, an insufficient amount of jobs for its workers, and low incomes. However, trade unions of the sector at all levels have changed their organizational and operational methods in a joint effort to serve agricultural production, thus turning out more products for society. The worker-laborer movement in the agricultural and food industry sector has contributed to increasing the country's grain output.

Trade unions of the sector at all levels must participate enthusiastically in discussing guidelines for tackling the issue of employment—a pressing issue—through various

measures, such as arranging for workers to undergo advanced training or to attend refresher courses so as to help improve their knowledge and professional skills and to sharpen their intelligence. They must also coordinate genuinely and closely with the administration in caring for the livelihood of workers.

Speaking at the congress, Comrade Vu Oanh highly appraised the results obtained from the activities of the trade union of the agricultural and food industry sector. He said:

The trade union should perseveringly seek an understanding of the aspirations of the masses so that it can work toward providing labor safety and social insurance to workers, while creating favorable conditions for the families of workers to apply the product contract system in order to expand their incomes.

The congress elected a delegation to the seventh national trade union congress.

### **Bui Thien Ngo Attends Youth Conference**

*BK0206081393 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 31 May 93*

[Text] A conference of outstanding youths in work related to the management and reeducation of criminals was held in Hanoi from 28 to 29 May by the general department of construction of the public security forces, the committee in charge of youth-related work of the Ministry of the Interior, and the department for the management and reeducation of criminals. Attending were nearly 100 typical youth union members of the movement from all units throughout the country, who were there to follow Uncle Ho's teachings.

The conference heard a speech delivered by Comrade Bui Thien Ngo, member of the party Central Committee Political Bureau, secretary of the party committee of the central public security service, and minister of the interior.

Over the past three years, youth union members in the department for the management and reeducation of criminals have overcome numerous difficulties and have always illuminated their leading role in their work, their struggles against opposition, and their studies. Some 97 of them have won the outstanding emulator title and 1,200 others have been recognized as outstanding youth union members. Ten youth union members attached to the Ministry of the Interior have also been presented with certificates of commendation for their achievements in unexpected assignments.

The grass-roots youth union unit at Thu Duc camp has firmly maintained for nine consecutive years the most outstanding emulation banner bearing Uncle Ho's portrait of the Youth Union Central Committee. It has also been awarded the Military Exploit Order, Second Class by the state.



Minister Bui Thien Ngo commended these typical youth union members for their achievements. He also urged all cadres and personnel responsible for the management and reeducation of criminals to always temper and maintain the quality of a public security combatant by striving to carry out all assignments even more satisfactorily.

### **Ministry Asked To Prevent Illegal Scrap Iron Exports**

*BK3105131893 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 May 93*

[Text] Of late, scrap iron has been illegally exported in unprecedentedly large quantities. At various riverports and seaports in our country such as in the Quang Ninh-Nghe An area, in Quang Tri, and in various coastal central Vietnamese provinces, scrap iron purchased from various areas has been seen piling up in large heaps at these ports, pending being smuggled out of the country by boat for resale abroad.

The Thai Nguyen and Mien Nam cast-iron and steel corporations and other steel plants in the country have earnestly asked the Ministry of Heavy Industry to exercise their functions by closely cooperating with various relevant ministries and sectors in promptly stamping out the current illegal export of scrap iron in large quantities and in resolutely taking drastic legal action against those units and individuals found to be intentionally misinterpreting the government stipulations on scrap iron in order to ensure the raw materials supply for in-country steel-production requirements and to guarantee employment and to stabilize the life of the 18,000-plus metalworkers.

### **Vu Oanh Visits Photo Exhibition on Ethnic Groups**

*BK3105125893 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 May 93*

[Text] On the afternoon of 26 May 1993, Comrade Vu Oanh, member of the Communist Party of Vietnam Central Committee Political Bureau, visited a photo exhibition at the Ho Chi Minh Museum on the theme of Uncle Ho With Vietnamese Ethnic Minority Groups. Comrade Vu Oanh said: This exhibition, which has on display a wide range of documents, has presented us with many valuable lessons.

### **Youth Delegates Visit Military Garrison on Spratlys**

*BK2805153793 Hanoi VNA in English 1514 GMT 28 May 93*

[Text] Hanoi VNA May 28—A delegation of the Central Committee of the Ho Chi Minh Communist Youth Union has visited soldiers stationed on dozens of islands in the Truong Sa [Spratlys] archipelago.

The delegation, led by Nguyen Manh Cuong, member of the Standing Committee of the Union Central Committee and Secretary of the Hanoi Youth Union Committee, comprised 31 delegates representing outstanding union members from various provinces and cities and an art troupe of the Vietnam Students' Association.

The delegation also presented the archipelago garrison a quantity of books, newspapers, sport gears, art instruments, and necessities worth more than 70 million VN [Vietnam] dong.

The art troupe gave performances to the soldiers on duty on those islands.

### **Natural Sciences, Technology Center Established**

*BK3105063693 Hanoi VNA in English 0603 GMT 31 May 93*

[Text] Hanoi VNA May 31—A national centre for natural sciences and technology has been established with Professor Academician Nguyen Van Hieu as director.

The centre is formed on the basis of the former Vietnam Academy of Sciences whose director was also Prof. Nguyen Van Hieu.

The centre is composed of 17 research institutes and specialized sciences and technologies and administrative offices. It is placed under direct guidance of the government and is to conduct government-assigned R and D projects of technologies essential for national economic and social development.

### **Killing of Four Vietnamese in Cambodia Condemned**

*BK0306153193 Hanoi VNA in English 1503 GMT 3 Jun 93*

[Text] Hanoi VNA June 3—The Vietnamese Embassy besides the Supreme National Council of Cambodia (SNC) this afternoon sent a note to the SNC, UNTAC [UN Transitional Authority in Cambodia] and the Ministry for Foreign Affairs of the State of Cambodia, strongly condemning the massacre of Vietnamese residents in Cambodia on the night of June 2.

The note reads: 'According to a communique released at noon today by the UNTAC spokesman Eric Falt, about mid-night June 2, an unidentified group of armed men captured nine Vietnamese fishermen off the coast of Sihanoukville and in the morning of June 3 four bodies of the above-said nine persons were discovered offshore this city. All victims had been shot and had their arms trussed behind their backs. The five others are still missing. [no closing quotation mark as received] 'The Vietnamese Embassy of the Socialist Republic of Vietnam besides the SNC energetically condemns this barbarous massacre of Vietnamese residents in Cambodia. The Vietnamese Embassy urgently requests the SNC, UNTAC and the State of Cambodia to conduct



prompt investigation, punish the culprits and take necessary measures to prevent the recurrence of similar acts'.

### **Foreign Ministry Statement on Cambodian Elections**

*BK0306131393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Jun 93*

[“Full text” of the Foreign Ministry’s 3 June statement on the Cambodian national elections]

[Text] The general election to a constituent national assembly in Cambodia was held from 23 to 28 May 1993. The general election was organized and supervised by the United Nations in accordance with the stipulations of the Paris agreement for a comprehensive political solution to the conflict in Cambodia.

The general election took place in a relatively peaceful and orderly atmosphere. Despite efforts by the Democratic Kampuchea side to deliberately oppose and seek to disrupt the election, nearly 90 percent of the total number of Cambodian voters went to the polls. This shows the earnest aspirations of the Cambodian people for an early peace, stability, and national concord in order to build a prosperous country and a happy life after many years of devastation by war and genocide.

Favorable developments in this general election also show the determination and great efforts of the United Nations and signatories to the Paris agreement in advancing the peace process in Cambodia.

As Cambodia’s close neighbor and a signatory to the Paris agreement, the government and people of Vietnam follow the election with interest and, together with the world public, hope that this general election will create favorable conditions for the Cambodian people to build a peaceful, independent, neutral, and nonaligned Cambodia which maintains friendly relations with all countries.

Once again, the government and people of Vietnam call on the international community and all the Cambodian parties concerned to make additional contributions to the process so that Cambodia can soon have peace and stability in the interests of the Cambodian people and others in the region.

On this occasion, the Government of the Socialist Republic of Vietnam reaffirms its consistent policy, that is, to scrupulously implement the Paris agreement and strictly respect Cambodia’s independence and sovereignty, and the right of the Cambodian people to determine their own destiny.

The government and people of Vietnam wish to maintain and develop good-neighbor relations with Cambodia on the basis of the principles of peaceful coexistence, noninterference in each other’s internal affairs, and mutually beneficial cooperation in the interests of the

people of each country and for the sake of peace and stability in Southeast Asia and the world as a whole.

In this connection, the SRV Government expresses its willingness to recognize a new government in Cambodia to be elected by a constituent national assembly, and its desire to strengthen and broaden the relations of friendship and cooperation in the spirit of the January 1992 Vietnamese-Cambodian joint communique.

### **Finance Ministry Delegation Visits Laos**

*BK2905152393 Hanoi VNA in English 1346 GMT 29 May 93*

[Text] Hanoi VNA May 29—A delegation of the Ministry of Finance led by Minister Ho Te arrived in Vientiane Tuesday [1 June] for an official visit to Laos.

Minister Ho Te and his party had talks with a delegation of the Lao Ministry of Finance led by Minister Khamsai Souphanouvong. The two sides exchanged experience in the domain of finance and discussed measures to create suitable conditions for the cooperation and mutual assistance between the two finance ministries, thus contributing to the strengthening of the friendship and comprehensive cooperation between the two countries.

### **Ho Te Meets With Prime Minister**

*BK3005151193 Hanoi VNA in English 1427 GMT 30 May 93*

[Text] Hanoi VNA May 30—Lao Prime Minister Khamtai Siphandon received in Vientiane on May 28 Vietnamese Minister of Finance Ho Te who is on an official visit to Laos.

Prime Minister Khamtai Siphandon, who is also chairman of the Lao People’s Revolutionary Party said that he considered the visit by Minister Ho Te and the Vietnamese finance delegation a further contribution to the strengthening of the special friendship and comprehensive cooperation between the two governments and peoples. He also expressed his confidence that the relations of mutual cooperation and assistance between the two financial institutions will be further consolidated and developed.

### **Cooperation Accords Signed**

*BK0206053793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Jun 93*

[Text] A delegation of our country’s Ministry of Finance, led by Minister Ho Te, paid a friendship visit to Laos from 25 May to 1 June. The delegation held talks with a delegation of the Lao Ministry of Finance headed by Minister Khamsai Souphanouvong.

Implementing the agreement on economic, cultural, scientific, and technical cooperation signed between the two governments on 26 April 1993, Finance Minister Ho Te and his Lao counterpart Khamsai Souphanouvong signed documents on cooperation for 1993.



**Phan Van Khai Receives Lao Labor Minister**

*BK0106075593 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 29 May 93*

[Text] At the government guest house on the afternoon of 28 May, Deputy Prime Minister Phan Van Khai cordially received Comrade Tonglun Sisulit, minister of labor and social welfare of the Lao People's Democratic Republic [LPDR]. The minister was paying a working visit to our country.

Also attending the reception were Tran Dinh Hoan, minister of labor, war invalids, and social welfare and other cadres. On the LPDR side were Minister Tonglun Sisulit and his entourage. Comrade Khamphet Phengmeuang, LPDR ambassador extraordinary and plenipotentiary to Vietnam, was also present at the function.

Deputy Prime Minister Phan Van Khai inquired about the work of the delegation and the Lao labor and social welfare sector. He also expressed his hope that the two countries will cooperate closely in this, and especially in the areas concerning injured soldiers, fallen combatants, and labor.

Minister Tonglun Sisulit expressed the delegation's appreciation to the Vietnamese Government and people for their honesty and friendliness.

**Vo Van Kiet Receives Outgoing Norwegian Envoy**

*BK0106150893 Hanoi VNA in English 1453 GMT 1 Jun 93*

[Text] Hanoi VNA June 1—Prime Minister Vo Van Kiet received at the Presidential Palace here this afternoon Norwegian Ambassador Johan Henrik Dahl who paid him a farewell visit before ending his term of office in Vietnam.

The prime minister spoke highly of the ambassador's contributions to consolidating and developing the friendship and cooperation between Vietnam and Norway. He recalled the Norwegian Government and people's multi-sided assistance to the Vietnamese people. He said that the bilateral relations have in recent years witnessed encouraging development which could be shown by the arrivals in Vietnam of more and more

Norwegian companies to explore possibilities for cooperation with Vietnamese partners, and to express their earnestness to do business with Vietnam, and the increasing number of investment projects under way. He held that Vietnam and Norway have great potentials for cooperation, especially in the domains of oil and gas, energy and fertilizer, and expressed his hope that with existing mutual trust the Vietnam-Norway cooperative relations would be promoted more vigorously. He assured the Norwegian diplomat that the Vietnamese Government will create favourable conditions for Norwegian companies and corporations to come to investigate into investment possibilities and do business in Vietnam.

For his part, Mr. Dahl said that his country is ready to share experience and cooperate with Vietnam on the basis of mutual benefits and prosperity of both countries.

He said his government has tried its best to encourage and facilitate Norwegian companies and groups to promote their cooperation with Vietnam for the interest of their own and for the prosperity of both countries.

**Vice President Receives Envoy**

*BK0206070393 Hanoi VNA in English 0602 GMT 2 Jun 93*

[Text] Hanoi VNA June 2—Vice-President Nguyen Thi Binh on behalf of President Le Duc Anh on June 1 received [word indistinct] Johan Henrik Dahl, ambassador of the Kingdom of Norway to Vietnam, who paid a farewell visit at the end of his term of office in Vietnam.

When vice president and the ambassador expressed [passage indistinct].

**Nguyen Manh Cam Message Recognizes Eritrea's Independence**

*BK2805151793 Hanoi VNA in English 1506 GMT 28 May 93*

[Text] Hanoi VNA May 28—Vietnam has decided to recognize the independence of Eritrea. This comes in Foreign Minister Nguyen Manh Cam's message of greetings today to his counterpart, Mr. Mahmud Ahmed Mahmud-Sherifo, on the occasion of the declaration of Eritrea's independence.



## Australia

### Current Account Deficit Declines; Dollar Weak

*BK3105083093 Melbourne Radio Australia in English  
0500 GMT 31 May 93*

[Text] Financial markets have reacted badly to Australia's latest balance return figures. Belinda Trump reports that the current account deficit for April has fallen 12 percent but this has not been enough to restore confidence in the Australian dollar.

[Begin Trump recording] After a blowout in the March current account deficit to around \$2 billion, economists have been expecting today's figures would show a big improvement to around \$1.1 billion in line with a substantial drop in imports. But while exports have risen by 3 percent, imports have not fallen as much as anticipated and the deficit of \$1.72 billion has destabilized the dollar. [end recording]

### Talks With SRV Premier Focus on Human Rights

*BK2805144593 Melbourne Radio Australia in  
Vietnamese 1300 GMT 27 May 93*

[Text] Vietnam has eased Australia's concerns over religious and political oppression in Vietnam with its statement that Vietnam will accept the visit of a fact-finding Australian human rights delegation to Vietnam. During the talks in Canberra with Vietnamese Prime Minister Vo Van Kiet, both the Australian Government and opposition party suggested such a visit to Mr. Kiet.

The suggestion to send two groups of Australian parliament members to Vietnam on their human rights fact-finding mission and the acceptance of this suggestion by the Vietnamese prime minister are considered an important breakthrough. It is known that the two parliamentary groups are the same groups visiting China to investigate human rights violations there. From Canberra, correspondent Graeme Dobell reports the following:

The sending of a delegation to Vietnam to investigate human rights issues was mentioned in separate talks between Prime Ministers Vo Van Kiet and Paul Keating, Foreign Minister Gareth Evans, and opposition leader John Hewson.

Dr. Hewson stated that the Australian parliamentary delegation can draw objective conclusions on the human rights situation in Vietnam. The opposition leader also welcomed the open-minded attitude of Mr. Vo Van Kiet in accepting the Australian suggestion.

According to Senator Evans, this is the first time an Australian delegation has visited Vietnam with this important mission of investigating the human rights situation in Vietnam. The details of the visit will be studied later with the hope that the delegation will depart for Vietnam by the end of this year.

The Australian foreign minister said he will directly address the Vietnamese authorities on the treatment of Buddhist and Catholic clergymen as well as anyone who promotes change toward democracy and peace in Vietnam. He said that nations in the world will find it easier to support Vietnam if Hanoi shows its goodwill in discussing these issues.

According to Mr. Vo Van Kiet, most accusations concerning violations of human rights by Vietnam lack objectivity. The Vietnamese prime minister said Buddhists and Catholics have been arrested not because of their religions but because of violations of Vietnamese laws or impeding national development.

Mr. (Robert Hughes), leader of the opposition party in the Senate, stated to a group of 400 people demonstrating in front of the Parliament House that Australia can have fine economic relations with Vietnam at the same time it is directly expressing concern about human rights issues to Vietnam. The demonstrators set up a mock Vietnamese reeducation camp on the lawn in front of the Parliament House. There they burnt an effigy of Vo Van Kiet. They also approached Mr. Vo Van Kiet's motorcade and threw leaflets into it describing him as a dictator. In doing so, a man was arrested for causing public disturbances; he was later released without being charged.

The human rights issue is a single problem causing contradictions in the talks between Australian officials and Prime Minister Vo Van Kiet. The two sides agreed on developments relating to the peace accord in Cambodia. Mr. Kiet, once again, said Vietnam will not use force to intervene in the Cambodian situation.

The Vietnamese leader thanked Australia for its support of Vietnam by persuading the United States to lift its ban on loans granted by international financial institutions to Vietnam. Messrs. Kiet and Keating also exchanged philosophical views about freedom and economic development. The Australian prime minister, citing the example of the Germans and Japanese, said that freedom and openness are indispensable factors for long-term economic development in those two countries. In reply, the Vietnamese prime minister said Hanoi must make its own judgments about the balance between political and economic factors. Vietnam does not want to follow in the footsteps of the USSR. The experiences of other economic dragons in Asia also prove that it is not necessary to follow only one model to be successful.